

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 07 of 2022
Date of Order:31.03.2022

Petition under Section 23 of the Electricity Act, 2003 seeking Regulatory Guidance for Measures to be taken by PSPCL in case of exigencies leading to power cuts for the Tariff Year 2022-23.

AND

In the matter of: Punjab State Power Corporation Limited
The Mall, Patiala-147001.

Present: Sh. Viswajeet Khanna, Chairperson
Ms. Anjuli Chandra, Member
Sh. Paramjeet Singh, Member

ORDER

Punjab State Power Corporation Limited (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) The endeavor 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.
- ii) PSPCL is at present expected to be surplus in power availability for most of the year 2022-23 except for two months of June and July, 2022. In these circumstances, it is

expected that the requirement to regulate supply to various categories of consumers and imposing power cuts would be as per real time demand/supply gap during the months of June and July, 2022 and would be minimal for the rest of the year, only due to unexpected events and circumstances.

- iii) Post two grid collapse of 30th & 31st July 2012, stringent grid regulations are applicable for deviation from the schedule which includes severe penalties in terms of high deviation charges. The availability of power has to be maintained around the running load at all the times for safeguarding the grid.
- iv) In the current deviation settlement mechanism, violations beyond specified limits attract severe penalties against overdrawal from the system in real time operations. Also, after applicability of the new DSM regulations 2018 w.e.f 01.01.2019, the frequency band has become 49.85 to 50.05 Hz. and, with the linking of market clearing price of exchange with DSM rate, operation of the power system on day to day basis has become more rigid and in case of sudden outage of power system elements, the safety of the grid is the priority of power regulation.
- v) However, even in case of a 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 a long duration.
 - b) Any downward revision in the Central Sector schedule for a long duration on account of forced outage of

Central Sector Generating Units, in which the State has a major stake.

- c) 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) Any reduction in internal generation due to forced outage may require the emergent imposition of the power regulatory measures to keep the system running within the limitation of the grid code.
- e) Any restrictions due to overloading of inter-regional lines may also necessitate load shedding within the state
- f) Any other contingency, where available power is not able to meet the demand.
- vi) In the scenarios and circumstances 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.
- vii) During the Paddy season of 2021, PSPCL had witnessed a precarious situation of very high peak demand around 15000 MW during two months of June and July, 2021. Delayed monsoon causing continuous dry spell and high temperatures led to an unexpected rise in demand of all consumer categories simultaneously. Being the peak time of sowing of the paddy crop and its irrigation needs, the power demand of the agriculture sector too rose manifold. However, due to limitations on power import from outside the State due to the limited transmission capacity of 6800 MW and limited

sources of generation within the state (at the most 6600 MW), PSPCL was able to meet only 13431 MW of demand and was constrained to impose power cuts/power regulatory measures on various categories of consumers.

It is anticipated that in case similar circumstances occur during the months of June and July 2022, peak power demand is likely to remain well above 15500 MW. This year transmission import capability is likely to be enhanced upto 8500 MW. Due to non-availability of power from GVK (due to PPA termination), if PSPCL is able to maintain even full output within the state's generation capacity of around 6100 MW and is able to book the entire transmission capacity which though depends on market price trends (not looking very favourable currently), maximum availability of around 14600 MW can be arranged. In such circumstances, PSPCL will have to decide and impose power cuts/power regulatory measures on different categories of consumers including Industrial consumers to provide 8 hour uninterrupted power supply to the agriculture sector depending upon the demand/supply gap on real time basis, especially during the period commencing on 10th of June to 10th of July, 2022.

- viii) 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.
- ix) 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 cuts on feeders controlling supply to the 24 hours UPS/Urban-Industrial Cat-1/Main cities / District Head Quarters.
- b) To impose off day(s) on LS & MS category of industrial consumers fed from category 1, 2 & 3 feeders.
- c) To restrict the drawal of the LS & MS category consumers (fed from category 1, 2 & 3 feeders) and continuous process (Category 4) consumers to the extent required for keeping the system running within the grid code limitations during peak load hours as well as off-peak hours.
- d) To regulate power supply to AP consumers.
- e) Any other additional regulatory measures on any 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.
- f) The priority order of imposing power cuts/regulatory measures will generally be followed as under except for paddy season when the priority is to provide 8 hour uninterrupted power supply to agricultural sector during which time, the same sequence given below will be adhered to after ensuring uninterrupted 8 hours supply to Agriculture sector feeders:
 1. **AP Feeders:** Power Cut (opening of Breakers from the Grid Substations for certain period in

rotation depending on the requirement in real time) for safeguard of grid. Thereafter, all possible efforts will be made to compensate the AP supply within 24 Hrs.

2. **UPS High Loss Feeders:** Power Cut (opening of Breakers from the Grid Substations for certain period in rotation depending on the requirement in real time)
3. **Kandi feeders / UPS Feeders:** Power Cut (opening of Breakers from the Grid Substations for certain period in rotation depending on the requirement in real time)
4. **Category-1 High Loss feeders:** Restricting the drawl of the LS & MS category consumers and/or Imposing Off Days on LS & MS Category consumers to the extent required for safe & secure operation of grid or Power Cut (opening of Breakers from the Grid Substations for certain period in rotation depending on the requirement in real time)
5. **Category-1 feeders:** Restricting the drawl of the LS & MS category consumers and/or Imposing Off Days on LS & MS Category consumers to the extent required for safe & secure operation of grid or Power Cut (opening of Breakers from the Grid Substations for certain period in rotation depending on the requirement in real time)
6. **Category-2 feeders:** Restricting the drawl of the

LS & MS category consumers and/or Imposing Off Days on LS & MS Category consumers to the extent required for safe & secure operation of grid.

7. **Category-3 feeders:** Restricting the drawl of the LS & MS category consumers and/or imposing Off Days on LS & MS Category consumers to the extent required for safe & secure operation of grid.

8. **Category-4 feeders feeding continuous status process industrial consumers:** Restricting the drawl of the Continuous process consumers (including continuous process load) to the extent required for safe & secure operation of grid.

- x) PSPCL has submitted that depending upon the Real Time Requirements, various Permutation & Combinations may be used for bridging the gap in demand & supply owing to various exigencies explained above till some alternate arrangement is made
- xi) PSPCL further stated that in FY 2022-23, 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.
- xii) PSPCL has submitted that if any consumer(s) violates the power regulatory measures imposed by PSPCL, appropriate penalty ranging from Rs.100/KVA to Rs.500/KVA, as a deterrent, shall be levied on them to ensure compliance of power regulatory measures for safety of grid and keeping the system running within grid code limitations.
- xiii) PSPCL shall however make its best endeavor not to impose

any regulatory measures and shall on its part:

- a) Impose minimum Scheduled Power Regulatory Measures/ Scheduled Power cuts for which an advanced notification will be published about the schedule of power cuts and regulatory measures in case of outages/exigencies for longer durations without any scope of alternate arrangement of power.
 - 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
- xiv) The Commission had for the year 2021-22 passed orders dated 31.03.2021 against Petition No. 08 of 2021 dealing with the regulatory measures to be taken when situation arises. The said order dated 31.03.2021 is effective for the period till 31.03.2022.
- xv) 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 safe & secure, economical and efficient manner in compliance to the IEGC/State Grid Code Provisions.
 - b) Provide guidance on the proposed regulatory measures and penalty as a deterrent for safe & secure operation of grid as detailed hereinabove and make such modifications in the proposal of PSPCL as the Commission may deem just.

c) Pass such other further order(s) as the Commission may deem just in the facts of the present case.

3. The Commission vide Order dated 02.03.2022 admitted the Petition, and directed PSPCL to issue a public notice inviting objections from the public/organisations, as required under Regulation 67 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005. The petition was fixed for hearing as well as public hearing on 23.03.2022 at 11.00 A.M. As 23.03.2022 was declared a public holiday, the Petition was taken up for hearing as well as public hearing on 24.03.2022. Sh. N.K Gupta, Director, Chamber of Industrial and Commercial Undertakings (CICU) Focal Point Ludhiana, recorded his presence in the public hearing and representatives of PSPCL attended the public hearing through virtual mode. During the hearing, PSPCL submitted that it shall file its reply to objections received in response to the public notice within three days. After hearing the representative appearing for PSPCL, Order was reserved.

4. In response to the public notice issued by PSPCL, suggestions/ comments were received from the following:

- i) Cycle Trade Union (Regd.), Ludhiana, Punjab.
- ii) M/s Mandi Gobindgarh Induction Furnace Association, Mandi Gobindgarh, Punjab.
- iii) Bodal Chemicals Limited, Rajpura, Punjab.
- iv) Chamber of Industrial & Commercial Undertakings, Ludhiana, Punjab.
- v) M/s Federation of Industrial & Commercial Organization.

PSPCL submitted its reply to the objections vide memo No. 5596 dated 25.03.2022. The suggestions/comments received from

objectors relating to the petition and response of PSPCL thereupon is as under:

I) Cycle Trade Union (Regd), Ludhiana, Punjab

Objection	Response of PSPCL
<p>Being Surplus state, don't allow power cuts in the shape of direct power cuts, Peak load hour Restrictions and Weekly off days etc. during the year 2022-23 to avail monetary benefits by PSPCL in the shape of Fixed Charges from the energy reading of meters of all type of PSPCL Consumers. PSPCL should make alternate arrangements to tide over power supply shortage situations and provide 24 hours un-interrupted supply. During imposition of Power cuts, PLHR, Weekly off days, fixed charges should not be billed.</p>	<p>The petition no. 07 of 2022 has been filed with the objective of seeking regulatory guidance for regulating the power supply to its various categories of consumers in case of various exigencies as enumerated in the instant petition.</p> <p>PSPCL is presently expected to be surplus in power availability for most of the year 2022-23 except for months of June and July. In the circumstances, it is expected that the requirement to regulate supply to various categories of consumers and imposing power cuts would be as per real time demand/supply gap during months of June and July and minimal for the rest of the year, only to take care of unexpected events and circumstances.</p> <p>Moreover, PSPCL always strives for providing 24 Hrs Power supply to its consumers by arranging power from various available economical sources. However, in the event of occurrence of exigencies detailed in the petition, the power supply needs to be regulated in the interest of grid health and stability. Thus it is not under the direct control of PSPCL to prevent the exigencies.</p> <p>Fixed charges are levied to ensure predictable recovery of fixed costs commitment of the Utility which are to be incurred to meet the demand of its consumers. Only a small part of fixed cost is being recovered through fixed charges. Therefore, the payment of fixed charges need not be regulated.</p>

II) M/s Mandi Gobindgarh Induction Furnace Association, Mandi Gobindgarh, Punjab

Point no.	Salient extract of the comments/objections	Response of PSPCL
1.	<p>Their industry should be last category to be asked to give relief through regulatory measures</p>	<p>The priority order of imposing power cuts/regulatory measures will generally be followed as under except for paddy season when the priority is to provide 8 hours uninterrupted power supply to agricultural sector: AP Feeders→ UPS High loss feeders→Kandi/UPS→ Category-1 High loss feeders→Category-1→ Category 2 → Category 3 (Arc/ Induction furnace consumers) →Category-4 (Continuous Process Status Industrial Consumers).</p> <p>The Arc/ Induction furnace Industry is already placed at second last in the above order.</p> <p>The regulation of load shall only be carried out depending upon the real time shortages and the nature of fault occurred in the power system equipment.</p>

2	<p>PSERC has introduced Special Night Rebate for LS industry opting to consume power exclusively during night hours. As power for such consumers is available only for 12 hours, any power cut on such consumers will hit them financially and may make their option totally unviable. Therefore such consumers need to be exempted from any regulatory measure.</p>	<p>The power cuts are proposed to be imposed in case of exigencies only as per priority order at para 12 of the petition (except paddy season). The Arc/ Induction furnace Industry is already placed at second last in the above order</p>
3	<p>PSPCL had imposed Regulatory Measures on industry from 01-07-2021 to 12-07-2021 last year in spite of declaring that PSPCL is surplus throughout the paddy season. PSPCL imposed unequal and discretionary weekly off days on industries located in various zones. The penalty was decided and increased the subsequently in an arbitrary manner. SMS delivery system did not operate and no one in PSPCL was able to answer the queries of the consumers. PSPCL has in the petition brought out the deficit for the month of June and July and the surplus for August and September are also marginal, the power regulatory measures may continue during whole of the paddy season. PSPCL has already declared its intention to impose power cuts in the paddy season. To save the consumers from repeat of the difficulties faced in July 2021, the Commission is requested to provide clear guidance to PSPCL.</p>	<p>The delayed monsoon which caused unexpected rise in demand of all categories simultaneously, could not be anticipated at the time of petition as it is beyond any one's control. Due to limitations on power import from outside State up to the allocated transmission capacity and limited within state generation due to outage of TSPL units, PSPCL was constrained to impose power cuts/ power regulatory measures on various categories of consumers. PSPCL tried to impose power regulatory measures in an equitable manner in different zones depending upon the demand supply gap on real time basis. Intimation was given to the consumers through uploading the circulars on website and whatsapp messages etc. by the distribution offices. The penalty was levied as a deterrent to ensure compliance of power regulatory measures which had to be increased to get sufficient load relief for the safety of the grid.</p>
4	<p>Actual category wise duration of power cuts imposed in last two years and relief obtained from each category should have been made part of the petition for information of the consumers. In the absence of detailed data, they are unable to completely analyze the effect of the prayers and make any assessment of the scenario.</p>	<p>The power cuts are imposed on real time basis subject to bridging the gap between availability & demand in case of exigencies, for the interest of grid security. Further, no notified power cuts have been required by PSPCL on any category of industrial consumers of PSPCL in recent years except for the period 01-07-2021 to 12-07-2021 for which the detailed circulars are available on PSPCL website.</p>
5	<p>A)The surplus energy at state periphery has been worked out</p>	<p>A) The figure 6900 MUs indicates the power surrender from central sector plants and long</p>

	<p>as 8207 MUs in Annexure-A of the subject petition whereas in format D2 of ARR for the year 2022-23, the surrendered power has been indicated as 6900 MUs.</p> <p>B)As per para 4.1.3 of the Tariff Order 2021-22, PSERC indicated surplus power in 2021-22 as more than 14540 Mus. However as per RE of 2021-22, the surplus/ surrendered power is only 4603 MUs (Page-161 of current ARR) The data needs to be reconciled as PSPCL is giving different figure in every submission.</p>	<p>term plants whereas 8207 MUs (in Annexure A) include surplus energy from own thermal plants also.</p> <p>B) Para 4.1.3 of the Tariff Order 2021-22 indicates surplus power of 14540 Mus which was for the whole financial year. In RE of 2021-22, the surplus/surrendered power is 4603 MUs which was only for the second half of financial year. Moreover, in the current ARR, availability of plants like GVK and CGPL Mundra is taken nil from November 21 to March 22 which reduces the surplus power.</p>
<p>6</p>	<p>It is submitted that category -3 feeders be exempted from demand reduction / weekly off days during non paddy period. During paddy period, only minimum restrictions be imposed during exigencies only so that losses to the industry is minimized so that they can plan deployment of labour accordingly and do not suffer any loss..</p>	<p>The power cuts are proposed to be imposed in case of exigencies only as per priority order at para 12 of the petition (except paddy season).</p> <p>The Arc/ Induction furnace Industry is already placed at second last in the above order.</p>
<p>7</p>	<p>In para 14 of the petition, PSPCL has also sought approval to impose penalty ranging from Rs.100/KVA to Rs.500/KVA for violation of the restrictions on usage of power. Such discretionary powers should not be given to PSPCL and amount of penalty and its duration should not be onerous on the consumers. As it is a tariff matter, Hon'ble Commission should decide that penalty amount in clear and illustrative manner</p>	<p>During July 2021, initially penalty @ Rs.100/KVA per day / Rs.200/KVA per day for the first/subsequent defaults respectively was imposed on the defaulting consumers. However, this penalty did not prove to be sufficient deterrent as the some of the industry was still not observing the regulatory measures owing to prohibitive cost of diesel. Thus, to make the penalty deterrent, without the intent to earn, penalty @ Rs.500/KVA per day was imposed making them observe the regulatory measures.</p> <p>Therefore, the penalty has been proposed as a deterrent only to ensure compliance of power regulatory measures by the consumers for the safety of the grid.</p>
<p>8</p>	<p>During 2022-23, PSPCL is surplus on energy basis during non paddy season as depicted in Annexure-A, as such there should not be any preplanned power regulatory measures during non paddy period. If at all required these shall only be real time shortages. This may be confirmed on record by PSPCL.</p>	<p>PSPCL has anticipated surplus scenario during non paddy period but the fault in the power system or some other exigencies cannot be ruled out leading to mismatch between demand & supply and thus necessitating the imposition of power cuts / regulatory measures on to the consumers.</p> <p>In recent years, no notified power cuts and regulatory measures have been required/ imposed on any category of industrial</p>

		consumers except for the period 01-07-2021 to 12-07-2021. Thus, PSPCL always exercises the best options to meet the gap in the demand and availability but due to the reasons explained out in the instant petition, there may be instances to regulate the power to the consumers in case of exigencies.
9	PSPCL has indicated various power regulatory measures in para 12 without indicating relief available from each measure. Merit order of the categories/ services as brought out in para No. 12 of the petition be reviewed and discretion be omitted.	The relief required due to exigencies can be judged from the real time scenario occurring at the time of exigencies and accordingly the relief measures are taken as per merit order of the categories as brought out in para 12 of the petition. PSPCL proposes to impose Power Regulatory Measures in an equitable manner by following order of priority as detailed in the petition except for paddy season when the priority is to provide 8 hours uninterrupted power supply to agricultural sector.
10	The figures of peak energy (LU/day) and peak demand (MW) have been compared as per CAGR for 6/7 years. The maximum unrestricted demand is projected as 15795 MW in the petition. As per the objector, the projection is not realistic. The Commission may direct PSPCL to not to impose any regulatory measure on LS industries of the Objector's category fed from Category-3 feeders.	During 2021-22, unrestricted peak demand was 15336 MW. During 2022-23, Peak demand is expected to be around 15795 MW considering 3% rise from the previous year. The power regulatory measures are proposed to be imposed in case of exigencies only as per priority order at para 12 of the petition (except for paddy season).
11	Steel industry in Punjab is still passing through a critical time and is struggling to recover the losses of Covid lock down and previous period of low demand. Under these circumstances, any power cut / weekly off will turn the industry in to red	Present Petition has been filed for obtaining guidance of the Commission for regulation of power in case of exigencies since the probability of fault in the power system can't be ruled out. Thus PSPCL has no other option left out but to regulate the power to bring the grid in healthy state till some alternate arrangement is made.
12	In case PSPCL still seeks permission to impose regulatory measures on the industry then payment of fixed charges also need to be regulated.	The power regulation will be done only in case of exigencies as explained out in the petition. Moreover, occurrences of such type of exigencies are unforeseen and may not directly be under the control of PSPCL. PSERC has implemented two part tariff w.e.f. 01-01-2018, comprising of fixed (Load/Demand) charges & Energy charges in order to ensure predictable recovery of fixed costs commitment of the Utility, which are to be incurred to meet the demand of its consumers on one hand, and to reduce the marginal cost of energy charges to the consumers, on other hand. Only a small part

		<p>of fixed cost is being recovered through fixed charges and that too on 80% of sanctioned contract demand or actual whichever is higher. Therefore, the payment of fixed charges need not be regulated.</p> <p>However, PSPCL will try its best to keep the duration of regulation of power at its minimum by applying rotational power cuts as per priority order at para 12 of the petition (except paddy season) till some alternate arrangement is made.</p>
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III) Bodal Chemicals Limited, Rajpura, Punjab

Point no.	Salient extract of the comments/objections	Response of PSPCL
(A) 1.	Their industry should be last category to be asked to give relief through regulatory measures	Reply is same as for point No. 1 of objection No. (ii)
(A) 2	The assumptions taken for calculations of power availability and consumption depicted and actual power cuts imposed in last 2 years should have been made available for information of the stake holders. In the absence of detailed data, they are unable to completely understand the working of the projected availability and anticipated demand worked out by PSPCL and correlate with actual of previous years. Therefore the Commission may direct PSPCL to supply month wise actual quantum of regulatory measures on each category of feeders.	The detail provided in the Annexure-A are anticipated demand and availability of energy available to PSPCL for the FY 2022-23. Availability is calculated by taking generating targets of different plants /sources. Demand is calculated by CAGR method. However, the power cuts are imposed on real time basis subject to bridging the gap between availability & demand in case of exigencies, for the interest of grid security. Further, no notified power cuts have been required / imposed by PSPCL on any category of industrial consumers of PSPCL in recent years except for the period 01-07-2021 to 12-07-2021 for which the detailed circulars are available on PSPCL website.
(A) 3	The energy requirement at state periphery was worked out as 65137 MUs in para 6.3 in deficiency letter dated 24-12-2021 of ARR for the year 2022-23 whereas the figure indicated in Annexure A of the subject petition is 65191 MUs. Further, format D2 (page-164) for 2022-23 indicates surrendered power as 6900 MUs whereas in Annexure-A, it has been indicated as 8207 MUs. The data may be reconciled.	The figure indicated in Annexure A of the subject petition is 65191 MUs which is taken from Table 34 of main ARR at the time of preparation of this petition. This figure is revised to 65137 MUs in para 6.3 in deficiency letter dated 24-12-2021 of ARR for the year 2022-23. There is no significant difference between the two figures which will impact the said petition. The figure 6900 MUs indicates the power surrender from center sector plants and long term plants whereas 8207 MUs include surplus energy from own thermal plants also.

(B) 1 to 5	General Introduction of Process of manufacturing as Continuous in nature. Being a project promoted by GoP, Bodal Chemicals Limited deserves special consideration and may be granted exemption from any type of Regulatory measures as per Policy approved earlier by the Commission.	The continuous Process Status Industry is already placed at last in the priority order of imposing power cuts/regulatory measures which will generally be followed except for paddy season. The request of the consumer to grant exemption from any type of Regulatory measures may not be accepted by the Commission.
(C) 1	There is surplus scenario in 10 out of 12 months of the year and still PSPCL is seeking regulatory guidance for full year on proposals to meet emergent shortages. PSPCL has to focus on the 6 months i.e. Oct, Nov, Dec, Jan, Feb & Mar for reducing its idle capacity. The Commission may direct PSPCL to submit plans to improve the consumption of power in Punjab particularly during these 6 months when PSPCL has maximum surplus power.	PSPCL has anticipated surplus scenario during non paddy period but the fault in the power system or some other exigencies cannot be ruled out leading to mismatch between demand & supply and thus necessitating the imposition of power cuts/regulatory measures on to the consumers. Moreover, the power system is managed in an optimum way by keeping costly powers surrendered. PSPCL is always exploring options available to operate the idle capacity remaining un-utilized during winter months where the demand of State is less, by way of export arrangement to other states and with every feasible possibility of sale of power.
(C) 2	During 2022-23, PSPCL is surplus on energy basis even during paddy season (except about 45 days of June & July), as such there should not be any preplanned power regulatory measures. If at all required there shall only be real time shortages. This may be confirmed on record by PSPCL.	In recent years, no notified power cuts have been required / imposed by PSPCL on any category of industrial consumers of PSPCL except for the period 01-07-2021 to 12-07-2021. Thus, PSPCL always exercises the best options to meet the gap in the demand and availability but due to the reasons explained out in the instant petition, there may be instances to regulate the power to the consumers in case of exigencies and on real time shortage basis.
(C) 3	PSPCL has indicated various power regulatory measures in para 12 without indicating relief available from each measure. Merit order of the categories/ services as brought out in para No. 12 of the petition for imposing regulatory measures be strictly followed.	The relief available from each measure is highly dependable upon situation persisting at the time like winter/summer, day/night, rainy day or particular period of the day and same is further fine tuned on real time based on exigencies occurring at that time and accordingly the relief measures are taken as per merit order of the categories as brought out in para 12 of the petition. PSPCL proposes to impose Power Regulatory Measures in an equitable manner by following order of priority as detailed in the petition except for paddy season when the priority is to provide 8 hours uninterrupted power supply to agricultural sector..
(C) 4	As the shortfall during two months is only 160 & 120 MUs / 222 & 161 MW which can easily be met	The continuous Process Status Industry is already placed at last in the priority order of imposing power cuts/regulatory measures

	from category 1 to 3 feeders, The Commission may direct PSPCL to not to impose any regulatory measure on LS industries of the Objector's category fed from Category-4 feeders.	which will generally be followed except for paddy season when the priority is to provide 8 hours uninterrupted power supply to agricultural sector.
(C) 5	The industry be exempted from imposition of all the regulatory measures and restrictions including peak load ToD restrictions	Present Petition has been filed for obtaining guidance of the Commission for regulation of power in case of exigencies since the probability of fault in the power system can't be ruled out. Thus PSPCL has no other option left out but to regulate the power to bring the grid in healthy state till some alternate arrangement is made. Thus while applying the regulatory measures, the nature as well as the type of fault will be important on which the duration of outage of grid element may be assessed in the real time situation.
(C) 6	The generation of own and IPPs coal based projects situated within Punjab are likely to suffer loss in generation due to prevailing inadequate coal stock position as per Daily coal stock position of coal at 5 thermal plants of the state being depicted on the CEA website. It is utmost necessary that all the power plants of Punjab are run to their full capacity during the peak demand scenario particularly during 10th of June to 10th of October 2022 and PSPCL/GOP need to take advance steps in this regard.	All efforts are being made to improve the coal stock position at own thermal plants and IPPs of the state especially before onset of paddy season.
(C) 7	In case PSPCL still seeks permission to impose regulatory measures on the industry then payment of fixed charges also need to be regulated. Further, PSPCL may be directed to exempt Bodal Chemicals Limited from observing Power Cuts/Regulatory Measures.	The power regulation will be done only in case of exigencies as explained out in the petition. Moreover, occurrences of such type of exigencies are unforeseen and may not directly be under the control of PSPCL. PSERC has implemented two part tariff w.e.f. 01-01-2018, comprising of fixed (Load/Demand) charges & Energy charges in order to ensure predictable recovery of fixed costs commitment of the Utility. Only a small part of fixed cost is being recovered through fixed charges and that too on 80% of sanctioned contract demand or actual whichever is higher. Therefore, the payment of fixed charges need not be regulated. However, PSPCL will try its best to keep the duration of regulation of power at its minimum by applying rotational power cuts as per priority order at para 12 of the petition (except

		<p>paddy season) till some alternate arrangement is made.</p> <p>The request of the objector that it may be exempted from imposition of regulatory measures may not be accepted by the Commission.</p>
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IV) Chamber of Industrial & Commercial Undertakings, Ludhiana, Punjab

Point no.	Salient extract of the comments/objections	Response of PSPCL
A(1-4)	<p>The same old equipment & technology are being used since last many years and no effort has been made to use the latest technologies such as Smart power generation plants, Smart Grids and automation distribution system to reduce outage time /maintenance /man-power cost as well as eliminate the scheduled and unscheduled power cuts for quality and desired power supply. PSPCL should increase the operational efficiency in generation of power through adoption of latest technology and optimum utilization of resources rather than resorting to power cuts and hike in tariff rates. Quality power supply should be provided for 24 hours. Frequent scheduled / unscheduled power cuts must be controlled.</p>	<p>PSPCL is taking various measures to adopt advance technologies in field of power system from time to time. However, this petition is not related to latest technologies or hike in tariff rates etc. pointed out by the objector. Further, PSPCL always strives for providing 24 Hrs Power supply to its consumers by arranging power from various available economical sources. However, in the event of occurrence of exigencies detailed in the petition, the power supply needs to be regulated in the interest of grid health and stability. Thus it is not under the direct control of PSPCL to prevent the exigencies.</p> <p>In recent years, no notified power cuts have been required/ imposed by PSPCL on any category of industrial consumers of PSPCL except for the period 01-07-2021 to 12-07-2021.</p>
B	<p>PSPCL should make an effective policy to improve its internal operational efficiency by optimum utilization of resources and adoption of latest technologies which would definitely contribute to the revenue of the PSPCL.</p>	<p>This petition is not related to adoption of latest technologies which would contribute to the revenue of the PSPCL etc. as pointed out by the objector.</p>
C(1-6)	<p>PSPCL should increase its productivity and reduce its losses by utilizing the optimum use of resources, may it be material or manpower</p> <p>State Govt. should be impressed upon to provide land to PSPCL for construction of more substations in the cities to ease the bottlenecks of grid constraints. During heavy rain/storms, all feeders get tripped. But few feeders having prominent/bulk industrial and commercial loads should be robust enough to withstand it so that power is used and billed in that period.</p> <p>Sufficient stock of coal should be</p>	<p>It is wrong to say that all feeders get tripped during heavy rain/ storms. Other points raised by the objector are not related to this petition.</p>

	<p>maintained at the maximum level at the thermal power generation plants to avoid any shortage in the peak seasons.</p> <p>For agriculture sector the supply should be through metres and unauthorized load should be checked and illegal unauthorized load should be heavily penalized. Theft of power from the grids or sub-stations more than 15% should be immediately checked and such consumers should be blacklisted and disconnected for future supply.</p>	
D(1-2)	<p>The entire world and leading states of India are going for Green Energy whereas Punjab is still going for old technology of thermal plants only and there are no efforts to install Green Energy projects. On the one hand PSPCL is charging higher tariff from industrial consumers which is revised frequently many times a year and on the other hand nothing is being done to ensure the reliability of supply of power to the industry</p>	<p>PSPCL is making continuous effort to increase the share of Green Energy and its installed capacity is increasing every year.</p> <p>Further, PSPCL always endeavours to ensure the reliability of supply of power to its consumers but the fault in the power system or some other exigencies explained out in the instant petition cannot be ruled out and thus necessitating the imposition of power cuts/ regulatory measures to the consumers.</p> <p>In recent years, no notified power cuts have been required/ imposed by PSPCL on any category of industrial consumers of PSPCL except for the period 01-07-2021 to 12-07-2021.</p>

V) Federation of Industrial & Commercial Organisation

Point no.	Salient extract of the comments/objections	Response of PSPCL
1	Electricity is a major raw material for the industry, it should be provided at Rs 5 all inclusive to the industry.	Does not relate to this petition.
2	The fixed charges should only be applicable in case on Non-operative Industrial units. For industry that operates and consumes electricity, this two way tariff should be abolished.	Does not relate to this petition.
3	The Night Tariff should be introduced @ Rs.2.50/- per unit to the industry as during night hours the demand of electricity is less. It is notable that huge amount of power is wasted due to non consumption at night time as electricity cannot be stored, it can only be utilized so the industry should be facilitated.	In recent years, even night demand during winter has shown considerable rising trend due to which PSPCL has to utilize all must run sources and other costly powers of thermal stations can be operated on back down as per commercial feasibility and no loss occurs thereof due to such back down.

4	Addition of new licensee for power supply in Punjab to bring competition and encourage PSPCL to improve its functioning.	Does not relate to this petition.
5	There is a need to upgrade the existing power distribution system of Ludhiana considering the rise in demand of the city.	PSPCL is taking various measures to upgrade the existing power distribution system from time to time. However, it does not relate to this petition.

5. Commission's Observations and Findings

The Petition was taken up for hearing as well as public hearing on 24.03.2022. After considering the submissions made by PSPCL, objections/comments raised/made by the consumers/ organizations and the reply submitted by PSPCL thereon, the Commission decides as under:

- a) **The Commission takes note of PSPCL's submission regarding maximum power availability of 14600 MW which PSPCL can arrange against a projected demand of 15500 MW. As such unexpected events and circumstances resulting in imbalance in power demand vis-a-vis availability cannot be ruled out and PSPCL may be required to impose regulatory measures to maintain grid security.**
- b) **The Commission 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) **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 a minimum and as infrequently as feasible. Also any Regulatory measures by PSPCL shall be as per the order of imposing Power cuts/Regulatory measures submitted by PSPCL in para No. 2 (ix) (f) above.**
- iv) PSPCL has requested the Commission to allow levy of penalty for violation of the power regulatory measures imposed as requested by PSPCL. If at any time, PSPCL faces any difficulty in bridging the gap in demand & supply owing to various exigencies and even after imposing above Regulatory Measures, PSPCL in case of any urgency may approach the Commission for seeking requisite directions from the Commission.**
- v) 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 and its impact on PSPCL revenue at the earliest, within one month after such an action is necessitated and taken by PSPCL.

- c) The consumers have requested that in case regulatory measures are imposed on the industry, the fixed charges may not be taken for those periods. The Commission feels that since these regulatory measures are imposed for minimum necessitated periods short periods on feeders/ consumers scattered across the State, the demand for waiving off/ regulating the fixed charges during the closure of a unit due to imposition of power regulation does not appear to be feasible.**

The petition is disposed of with the above directions.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Anjuli Chandra)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh
Date: **31.03.2022**