

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO 220-21, SECTOR – 34-A, CHANDIGARH**

Petition No. 01 of 2017
Date of Order: 25.05.2017

Present: Shri D.S. Bains, Chairman
Shri S.S. Sarna, Member

In the matter of: Petition under Section 23 of the Electricity Act, 2003 for regulatory measures to be taken for the Tariff year 2017-18.

AND

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

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, for the year 2017-18.

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

- (i) The endeavour of PSPCL as a distribution licensee is to ensure uninterrupted power supply to all its consumers and regulate the supply only in case of unavoidable exigencies. PSPCL has over the years taken measures to improve the power availability situation and is presently expected to be surplus in electricity availability for the year 2017-18.
- (ii) It is stated that primarily due to additional generational capacities added within the State and also from the share in the central sector

projects, there would be a surplus availability of electricity to PSPCL during the year 2017-18. In the circumstances, it is expected that the requirement to regulate supply to consumers and imposing power cuts would be minimal and only to take care of unexpected events and circumstances.

(iii) The frequency profile of the power system has significantly improved and now is running in a close range of 50 Hz \pm 0.05 Hz and in the scenario / real time operation of power system, the availability of power has to be matched with the running load at all the times otherwise the surplus power is bound to be dumped to the grid at a very nominal cost, which with the running frequency profile may not be economical to the utility. Moreover, the security of the grid may also get affected. However, even in the surplus scenario, the eventualities as mentioned below cannot be ruled out in the power system which may require regulation of load and supply:

- a) Till now, from the dedicated IPPs of Punjab, 2x700 MW of thermal generating units of NPL Rajpura have already been synchronized with the grid and 3x660 MW of TSPL Generating Units has also been put on bars. In addition to this, 2x270 MW of thermal units of Goindwal, GVK have also been got commissioned. The presence of high capacity generating units in the system and their forced outage for longer duration may necessitate the imposition of regulatory measures on the consumers.
- b) Any downward revision in the Central Sector schedule due to longer duration forced outage of Central Sector Generating Units, in which the State of Punjab has a major stake.
- c) A maximum unrestricted demand of 2485 LUs on 22.7.2016

and a peak demand of 11408 MW have been recorded during the year 2016-17 on 1.7.2016. During the year 2017-18, a projected unrestricted demand of 11978 MW (with 5% increase from the previous year maximum demand of 11408 MW) is being envisaged and with a restricted internal generation due to any unforeseen reason and any limitation of the transmission/ sub transmission network, may also necessitate imposition of Regulatory Measures.

- d) At present, the existing ATC/TTC of Punjab has been fixed by NRLDC as 5900/6400 MW respectively. To meet an unrestricted projected demand of 11978 MW and with any reduction of internal generation due to forced outage may require the emergent imposition of Power Regulatory Measures during the year 2017-18 to keep the system running within the limitations of grid code.
- e) Any restrictions due to overloading of inter regional lines may also necessitate load shedding within the state.
- f) The operating frequency band has since been narrowed down with the implementation of deviation settlement mechanism w.e.f. 17.2.2014, to the range between 49.90 to 50.05 Hz. The violation beyond the specified limit attract severe penalties for over/ under 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.
- g) In addition, the scheduled commissioning of the new generating units i.e. Mukerian Hydel Project Stage-II in the state sector and Bokaro Thermal plant, Meja thermal plant, Tiesta-3 HEP and

Kishanganga HEP under the central sector may also get delayed and the energy which is envisaged to remain available during the year 2017-18, become uncertain on account of which situations may arise for the imposition of power regulatory measures.

h) Any other contingency, where availability of power is not able to meet with the demand may also be required in regulating the load on the system on real time basis.

(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. Further, having a guiding principle for imposing regulatory measures in case of exigencies results in greater regulatory certainty.

(v) PSPCL proposes the following regulatory measures to be taken in case it becomes imperative to impose regulatory measures and impose power cuts:

- 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.
- To impose weekly off day(s) on LS & MS category of industrial consumers fed from category 2 & 3 industrial feeders.
- To restrict the drawl to the extent required for keeping the system

running within the grid code limitations during peak load hours as well as off-peak hours of the LS & MS category consumers (fed from category 2&3 feeders), who are availing time of the day tariff as per the provisions of tariff order 2016-17.

- 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 Hon'ble PSERC.
 - To regulate power supply to AP consumers.
 - 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) In the year 2017-18, the regulatory measure 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 limitation shall also be kept in view while imposing these regulatory measures.
- (vii) PSPCL shall however make its best endeavour not to impose any regulatory measures and shall on its part:
- (a) Impose minimum Regulatory Measures/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) it is prayed that:

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

3. The Commission vide its Order dated 19.01.2017 observed and ordered as under:-

“After hearing Officers of PSPCL, the Commission admitted the petition. The Commission noted that the subject matter in the present petition involves the interest of public at large. PSPCL is directed to issue a public notice inviting objections from the general public. PSPCL will put up a draft public notice by 27.01.2017 for approval of the Commission under Reg. 67 of the PSERC (Conduct of Business) Regulations, 2005.

PSPCL shall publish the public notice as per the above regulations inviting suggestions/comments from the general public and stake-holders immediately after approval of the Commission.”

4. The Commission further vide its Order dated 29.03.2017 has ordered as under:-

“As per Order dated 29.03.2016 in respect of Petition No. 02 of 2016, the Commission has authorized PSPCL to impose power cuts, peak load hours restrictions and other regulatory measures for FY 2016-17. The processing of PSPCL’s Petition No. 01 of 2017 seeking permission for imposing regulatory measures for FY 2017-18 is under process and is likely to take some more time. As such, the applicability of the Order dated 29.03.2016 is extended till the disposal of Petition No 01 of 2017.”

5. PSPCL after obtaining the approval of the Commission issued the public notice in the various newspapers for inviting comments/objections/suggestions from general public and stake holders. The last date for submitting the same was 20 days from the publication of public notice i.e. 04.03.2017. In response to thereof suggestions/comments from the following 4 objectors have been received:-

- i) Nahar Spinning Mills Ltd, Industrial Area-A, Ludhiana
 - ii) Mandi Gobindgarh Induction Furnace Association (Regd.)
 - iii) SIEL Chemical Complex, Rajpura
 - iv) Cycle Trade Union (Regd.), Ludhiana
- a) The suggestions/comments received from above objectors have been summarized as under:
- i) There is surplus scenario in all the 12 months of the year and still PSPCL is seeking regulatory guidance on proposals to meet emergent shortages. There should not be any pre planned

power regulatory measures because of surplus in energy during the FY 2017-18.

- ii) In view of recession and to increase utilization of surplus power, the industry needs to be exempted from imposition of regulatory measures including peak load charges.
- iii) Being a project set up under GoP, SIEL Chemicals need to be exempted from any regulatory measures.
- iv) Merit order of the categories for imposing regulatory measures may be decided by the Commission. Continuous Process industry should be last category to be asked to give relief through regulatory measures.
- v) After withdrawal of PLHR and PLEC, the requirement to get Continuous Process Load verified from PSPCL needs to be dispensed with and sanctioned CD of continuous process industry be treated as continuous load so as to achieve ease of doing business.
- vi) No mode or procedure of communication has been detailed in the petition so that the consumers will be given advance intimation of power cuts/regulatory measures.
- vii) During the imposition of power cuts, peak load hour restrictions and weekly off days, Monthly Minimum Charges should not be imposed on the all types of consumers.
- viii) ATC/TTC of 5900/6400 MW needs to be reassessed for the coming paddy season after considering the new elements commissioned. PSPCL should make alternate arrangements to tide over the power shortage situations.

- b) PSPCL vide letters dated 10.04.2017 and 24.04.2017 submitted its response with respect to above objections, which have been summarized as under:
- i) 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 decrease in availability and thus necessitating the imposition of power cuts/regulatory measures on to the consumers especially during the paddy season when the demand is on its full swing and the probability of availing the corridor for purchase of power from the alternative sources in real time system is very less and uncertain. PSPCL always opts for the best option to meet the gap in the demand and availability but due to the reasons explained in the instant petition, there may be instances requiring regulation of power to the consumers.
 - ii) It is submitted that for the past 2 years, no notified power cuts and regulatory measures have been imposed on various categories of consumers including the industrial units. PSPCL always opts for the best options to meet the gap in the demand and availability but due to the reasons explained in the instant petition, there may be instances requiring regulation of power to the consumers.
 - iii) The Peak Load Hour Exemptions have already been granted to SIEL chemicals vide provisions 5(c) of PR Circular 06/2010 dt 31.5.2010. Moreover, no power regulatory measures have been imposed for the past 2 years.
 - iv) The industrial units (Category-2, 3 & 4) are placed at last under the merit order in case power cuts need to be imposed.

- v) Industrial consumers are being granted continuous process status as per the provisions of PR Circular 06 of 2012 in accordance with the policy approved by the commission. Though, PLHR and PLEC have been removed, yet for obtaining the Continuous Process Status, the load needs to be verified for keeping check on the declaration of the load by the consumer. Since, during the period of regulation of power, continuous process consumers have to restrict their off-peak/peak load as granted to them by the committee constituted for granting continuous process status. In the event of regulation of power, the relief required to be obtained to bridge the gap between demand and availability will not be met if the sanctioned CD is to be treated as continuous process status load for all the continuous process status consumers.
- vi) PSPCL has already issued PR circular No. 02 of 2015 dt. 2.7.2015, regarding obtaining of the contact details of the consumers for intimation of Regulatory Measures to them through email.
- vii) The power supply will be regulated only in case of emergent conditions and when no other option is left except for imposing power cuts. As far as the levying of Monthly Minimum charges (MMC) is concerned, it is hereby clarified that energy charges presently being levied during the billing cycle are much more than the MMC.
- viii) PSPCL vide its letter dated 16.05.2017 has informed that matter regarding increase in ATC/TTC limit has been taken up with Punjab SLDC and directions from NRLDC to SLDC are awaited.

6. Commission's observations and findings

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

- a) The Commission is of the view that, though PSPCL have become surplus in power, unexpected events and circumstances resulting in imbalance in power cannot be ruled out and may require regulation of supply to consumers including imposition of power cuts to maintain grid security.**
- b) The Commission finds no merit in the demand of industry for discontinuation of the requirement to get Continuous Process Load verified from PSPCL and treating of sanctioned CD of industry as continuous load, as the provision is not mandatory. It is only a provision made for industry in case it wishes to avail the status of continuous process industry.**
- c) The Commission also notes that the regulatory measures are meant to ensure grid security and are intended to be imposed for minimum necessitated period(s) only. Since, it is imposed for the short periods and on the consumers scattered across the State, the demand of the industry for waving of MMC during the closer of a unit due to imposition of power cuts, peak load hour restrictions and weekly off days, is not feasible.**
- d) The Commission therefore authorizes PSPCL to impose regulatory measures including power cuts and peak load**

hour restrictions 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, power cuts and compulsory weekly off day(s) will not be imposed in Punjab, on any category of consumers.**
- ii) However, if regulatory measures are necessitated in case of any exigency; PSPCL may impose minimum Regulatory Measures/Power cuts for which the consumers will be informed in advance, through SMS/E-mail (including written intimation wherever possible). The intimation should be sent at least one day in advance and also 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 will be informed within minimum possible time regarding emergent situations and system constraints occurring in the power system, reasons thereof and duration of powercut.**

The Petition is disposed of accordingly.

Sd/-
S .S. Sarna
(Member)

Sd/-
D.S. Bains
(Chairman)

Chandigarh
Dated: 25.05.2017