

ORDER

UPERC (Merit Order Despatch and Optimization of Power Purchase) Regulations, 2021 (Removal of Difficulty) First Order, 2021.

This order is being issued under Clause 13 (Power to remove difficulties) of UPERC (Merit Order Despatch and Optimization of Power Purchase) Regulations, 2021.

Whereas the Uttar Pradesh Electricity Regulatory Commission (Merit Order Despatch and Optimization of Power Purchase) Regulations (herein after referred to as the UPERC MOD Regulations) were notified on 18th February, 2021;

Issue 1:

Whereas Regulation 4(2) of the UPERC MOD regulations provides that the distribution licensee shall draw up the Merit Order Stack at the State periphery for Intra-State and Inter-State Generation sources after taking into account the variable cost of each generating stations as submitted by the generating company along with the inter-state transmission losses and AC-UBC charges as specified by Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, wherever applicable.

And whereas the difficulties have arisen regarding the calculation of Generator wise AC-UBC Charges, due to submission of combined bill by PGCIL for all the ISTS generators as per the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, wherever applicable.

Issue 2:

Whereas Regulation 4(2) of the UPERC MOD regulations provides that the distribution licensee shall draw up the Merit Order Stack at the State periphery for Intra-State and Inter-State Generation sources after taking into account the variable cost of each generating stations as submitted by the generating company along with the inter-state transmission losses and AC-UBC charges as specified by Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, wherever applicable.

And whereas the difficulties have arisen regarding the computation of inter-state losses, as whether such losses shall be computed after including AC-UBC charges or excluding AC-UBC charges.

Issue 3:

And whereas Regulation 2(20) of the said UPERC MOD Regulations defines "MOD Stack" means the stack prepared on the basis of available variable charges for (n-1)th or (n-2)th month as applicable for dispatch of generation in accordance with UPERC (Merit Order Despatch and Optimization of Power Purchase) Regulations, 2021 along with average inter-state transmission losses and AC-UBC charges for (n-1)th month and if not available for (n-1)th month, then last available

And whereas the difficulties have arisen in the cases where the SCR for any generating company was zero in the previous month(s) or for more than two months or account of high VC or any other reason



as assigned, therefore leading to a situation where both variable charge of (n-1)th and (n-2)th is not available for preparation of MOD Stack.

Issue 4:

And whereas Regulation 4(5)(c) of the said UPERC MOD regulations provides that the SLDC may revise the MOD Stack considering the impact of Change in Law in the PPAs as notified by the Distribution Licensee after approval of the Commission, with the condition that the revision in variable charges shall be applicable from 1st day of a month, which falls after thirty (30) days time from the date of Order of Appropriate Commission.

And whereas the difficulties have arisen in the cases where any Generator in order to keep its variable charges on the lower side for the purpose of higher despatch, delays in submission of change-in-law bills and subsequently claim the same on retrospective basis along with carrying cost, thus resulting in non-adherence by the Distribution Licensee of the timelines approved in the UPERC MOD Regulations, for revision in variable charges.

Now therefore, the Commission in exercise of its power conferred by Regulation 13 of the UPERC MOD regulations, 2021, hereby issues this order on above issues, being not inconsistent with the provisions of the Act, to remove difficulties namely:-

1. Short title and commencement –

- 1) This Order shall may be called the UPERC (Merit Order Despatch and Optimization of Power Purchase) Regulations, 2021 (Removal of Difficulty) First Order, 2021.
- 2) It shall come into effect from 15th September 2021.

2. Consideration of AC-UBC charges and application of inter-state transmission losses in drawing MOD stack (related to clause (2) of Regulation 4 of UPERC MOD Regulations)

The distribution licensee shall draw up the Merit Order Stack at the State periphery for Intra-State and Inter-State Generation sources after taking into account the variable charges of each generating station as submitted by the generating company along with the inter-state transmission losses and common AC-UBC charges as specified by Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, wherever applicable.

Provided that the common inter-state transmission AC-UBC charges for the applicable period shall be computed on the basis of monthly bills raised by PGCIL and energy drawl schedule for the month from ISGS, considering the bills for (n-1)th month and in case the last month's charges are not available, then the last available charges shall be considered.

Provided that the inter-state transmission loss shall be computed on the sum of Variable Charge of the generator station and the common AC-UBC Charge, considering the average of inter-state transmission loss for (n-1)th month and in case the last month's loss are not available, then the last loss shall be considered.



3. Duration to be considered for preparation of MOD stack (related to Regulation 2(20))

The distribution licensee shall verify and submit the details of variable charges of all generating stations/units from which they are procuring power for preparing the MOD stack based on Variable Charge of (n-1)th month and in case the variable charges of immediately preceding month is not available, the last available variable charge needs to be considered and submitted to SLDC for preparation of the MOD Stack by the 7th day and 22nd day of every month with intimation to the seller with whom it has the PPA.

4. Impact of change in law in preparation of MOD stack (related to Sub-clause (c) of clause 5 of Regulation 4)

The SLDC may revise the MOD stack considering the following:

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c. Impact of Change in Law in the PPAs as notified by the Distribution Licensee after approval of the Commission.

Provided that the Distribution Licensee shall submit the orders of the Commission on change in law to SLDC within 15 days of the date of Order of the Commission. Distribution Licensee as well as SLDC may seek information from the generator on the revised VC including such change in law impact. The generator is bound to submit above information and raise invoices immediately after the order of the Commission. The generator is also obliged to submit the revision in variable charges due to generation tariff orders issued by Appropriate Commission immediately after such an order is passed. In case the generator fails to submit the revised VC including change in law impact to the licensee within 10 days of the order of the Commission, the licensee may file a petition against the generator for non-compliance of UPERC MOD Regulations. If the Commission is satisfied that such an order/information has been unreasonably withheld by the generator, the generator may be imposed with a penalty as prescribed under Section 142 without prejudice to any other action that Commission deems fit in such a situation.

Provided that the revision in variable charges under (b) and (c) above shall be applicable from 1st day of a month, which falls after thirty (30) days time from the date of Order of Appropriate Commission.



VK Srivastava
Member (Law)



KK Sharma
Member



Raj Pratap Singh
Chairman



Place : Lucknow
Dated : 09.09.2021