

**Central Electricity Regulatory Commission  
New Delhi**

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H. Jung, Member**

**Petition No. 67/2003  
(Suo motu)**

**In the matter of**

Bringing Generating Stations of Central Public Sector Undertakings (CPSUs) supplying power to a single beneficiary State in which situated, under the purview of Availability Based Tariff (ABT)

**ORDER**

This Commission in its order dated 4.1.2000 in Petition No. 2/99 (suo motu), after going through a transparent process of hearing and consultations with all concerned, had resolved to implement the scheme of Availability Based Tariff (ABT), having the following distinguishing features, in different regions of the country in a phased manner:

- (i) Capacity Charge linked to Availability,
- (ii) Energy Charged linked to Schedule Generation,
- (iii) Unscheduled Interchange Charge linked to the grid frequency.

2. The scheme of ABT was implemented in a phased manner from the following dates in case of the generating stations supplying electricity to more than one State;

- (i) Western region : 1.7.2002
- (ii) Northern region : 1.12.2002
- (iii) Southern region : 1.1.2003
- (iv) Eastern region : 1.4.2003

(v) North-Eastern region: 1.11.2003

3. As of now, for the reason that ABT is in operation in all the regions of the country for sufficient time, considerable exposure and experience of the scheme has been acquired by all concerned. The beneficial results of ABT are also evident in the scheduling and despatch of generation capacity and maintenance of grid frequency within the optimum frequency band.

4. The Commission's tariff regulations dated 26.3.2004 specifying terms and conditions of tariff for the period 2004-2009 distinguish the following two types of stations for the payment of energy charges:

- (i) Generating stations covered under ABT, and
- (ii) Generating stations other than those covered under ABT.

5. The generating stations other than those covered under ABT are those stations of Central Public Sector Undertakings (CPSUs), namely, NTPC and NLC that supply power to single beneficiary in the State. These generating stations are to be awarded two-part tariff consisting of following:

- (i) Capacity charges linked to Availability,
- (ii) Energy charge linked to Actual supply.

6. The Unscheduled Interchange charge linked to frequency, is not made applicable to such stations. The billing for these stations is not on scheduled

generation but on actual supply and these stations do not make any contribution to grid discipline in the absence of UI Charge.

7. Meanwhile, the Central Government has notified "National Electricity Policy" on 12.2.2005. Para 5.7.1 (b) of the policy acknowledges the benefits of ABT introduction at the national level and has advised the SERCs to introduce ABT at the State level within one year. Para 5.7.1 (b) of National Electricity Policy which is relevant, reads as follows:

*"The ABT regime introduced by CERC at the national level has had a positive impact. It has also enabled a credible settlement mechanism for intra-day power transfers from licenses with surpluses to Licenses experiencing deficits. SERCs are advised to introduce the ABT regime at the State level within one year".*

8. Badarpur TPS in the National Capital Territory of Delhi, owned by the Central Government, supplying power to the sole beneficiary namely Delhi Transco Ltd., has been brought within the purview of ABT with effect from 1.4.2005. It is high time that all other generating stations owned by the Central Power Sector Utilities which are supplying power to only one beneficiary of the State are also brought under the purview of ABT.

9 Accordingly, it is decided that the following generating stations shall be subjected to ABT with effect from 1.12.2005:

**NTPC**

- |                   |              |
|-------------------|--------------|
| 1. Simhadri SPTS  | (2 x 500 MW) |
| 2. Kayamkulam GPS | (359.58 MW)  |

- |                  |                          |
|------------------|--------------------------|
| 3. Faridabad GPS | (431.58 MW)              |
| 4. Tanda TPS     | (4 x 110 MW)             |
| 5. Talcher TPS   | (4 x 60 MW + 2 x 110 MW) |

**NLC**

- |          |          |
|----------|----------|
| 6. TPS-I | (600 MW) |
|----------|----------|

**NHDC**

- |                              |              |
|------------------------------|--------------|
| 7. Indira-Sagar H.E. Project | (8 x 125 MW) |
|------------------------------|--------------|

10. The Commission feels that the time available up to 30.11.2005 shall be sufficient to complete the activities necessary for smooth switch over to ABT regime, such as,

- (i) Planning including identifying locations and requirement of Special Energy Meters (SEMs),
- (ii) Procurement and Installation of SEMs,
- (iii) Organising data collection and energy accounting, and
- (iv) Trial run of UI accounting, etc.

11. All the concerned agencies, including State Load Despatch Centres of the respective State, the Central Power Sector Utilities and the beneficiaries are directed to initiate steps for the installation of Special Energy Meters to ensure the implementation of ABT by the stipulated date. The concerned generating companies and beneficiaries shall submit joint action plan to the Commission, latest by 31.7.2005.

12. The generating stations supplying power to only one beneficiary State are dispatched by the respective State Load Despatch Centres (SLDCs) and not by Regional Load Despatch Centres (RLDCs). This aspect has been made clear by the Note to this effect under the head 'Scheduling' as well as under the head 'Metering and Accounting in the tariff regulations dated 26.3.2004, applicable for the period 2004-09:

*"In case of a generating station contracting to supply power only to the State in which it is located, the scheduling, metering and energy accounting shall be carried out by the respective Load Despatch Centre".*

13. Scheduling procedure and payment of charges for the Unscheduled Interchanges (UI) shall be governed in terms of the Commission's notification dated 26.3.2004 as amended from time to time, on terms and conditions of tariff, except that the scheduling and UI accounting shall be carried out by respective SLDCs.

14. A copy of this order shall be sent to all Central/State Utilities.

Sd/-  
**(A.H.JUNG)**  
Member

Sd/-  
**(BHANU BHUSHAN)**  
Member

Sd/-  
**(K.N. SINHA)**  
Member

Sd/-  
**(ASHOK BASU)**  
Chairman

New Delhi dated the 4<sup>th</sup> July, 2005