

Rajasthan Electricity Regulatory Commission (power purchase & procurement process of distribution licensee) Regulations, 2004

RAJASTHAN

India

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Rule

RAJASTHAN-ELECTRICITY-REGULATORY-COMMISSION-POWER-PURCHASE-PROCUREMENT-PROCESS-OF-DISTRIBUTION-LICENSEE-REGULATIONS-2004

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Rajasthan Electricity Regulatory Commission (power purchase & procurement process of distribution licensee) Regulations, 2004Published vide Notification No. RERC/Secy/Regulation/23, dated 26.3.2004No. RERC/Secy/Regulation/23. - In exercise of powers conferred on it by Section 86 (b) and 181 of the Electricity Act, 2003 and all powers enabling it in that behalf, the Rajasthan Electricity Regulatory Commission after previous publication hereby makes the following regulations namely:General

1. Short Title, Commencement and Extent.

(1)These Regulations may be called the Rajasthan Electricity Regulatory Commission (power purchase & procurement process of distribution licensee) Regulations, 2004.(2)These regulations shall come into force from the date of their publication in the official gazette.(3)These regulations shall be applicable to all purchases of power made or proposed to be made by distribution licensees.

2. Definitions.

- In these Regulations, unless the context otherwise requires:-(1)"Act" shall mean the Electricity Act, 2003(2)Words and expressions used in these regulations and not defined herein shall bear the same meaning as in the Act.

3. Procedure for assessment of availability and requirement.

(1) State Load Despatch Centre (SLDC) shall be responsible for making an assessment of availability and requirement of electricity in KW, KWH & KV Ar for one year on a monthly basis and State Transmission Utility (STU) for next five and ten years on an annual basis. This assessment shall be based on historical data, load requirement projected by the distribution licensees, maintenance schedules of generating companies selling electricity to distribution licensee(s), maintenance schedule of transmission licensees, transmission constraints, generation and transmission capacity additions. SLDC/ STU shall make this assessment in consultation with all concerned generating companies, distribution licensees, trading licensees and transmission licensees, Regional Electricity Board, National/ Regional Load Despatch Center(s) & Central Electricity Authority. (2) The distribution licensee(s) shall submit their estimated requirement to SLDC for the ensuing year by 30th of October on monthly basis for the complete year based on their entitlement and share in generating stations and contracts entered into with generating companies and traders and also the projected demand for next 5 and 10 years on annual basis to SLDC & STU. In case information is not received by that time, SLDC & STU will make assessment on their own and convey it to distribution licensee(s). If no observation are received from the distribution licensee(s) within seven days, the same shall be considered as final. (3) An 'Energy assessment committee' consisting of CMDs of STU, RVUN, each distribution licensee and incharge of SLDC shall consider above assessment of availability & demand and finalise unrestricted maximum demand and energy requirement, maximum demand & energy requirements feasible to be met and power purchase requirement. This committee will review these assessments annually and finalise maximum demand and requirement which can be met in respect of each discom for each month for next 12 months and also for next 5 years. Based on these assessments the Energy assessment committee will recommend additional generation and power purchases, or their curtailment.

4. Criterion for Power Purchases.

(1) Based on the assessment of finalised requirement, distribution licensee(s) shall effect power purchase or enter into long term or short-term power purchase agreements or arrangements complying with the criterion to be laid down by the Commission from time to time. The Commission may lay down separate criterion for Power Purchase from nuclear, & hydro, cogeneration & renewable sources generating stations. The criterion shall, inter alia, consider any policy directive of State Government, Commission directives on power purchase, allocation including temporary allocation & diversion of power from different sources, generation from conventional and non-conventional energy sources within the State. There shall be a mechanism of consultation among STU, transmission licensees, RVUN & other generating companies distribution licensee(s) and State Load Despatch Centre for meeting power shortages; for providing spinning reserve or frequency control capacity etc. and mechanisms for spot or bilateral purchase or overdraw/under draw of active and reactive power by distribution licensees. (1A) [The following table along with proviso shall be added below the existing table:

S.No	Year	Obligation expressed as percentage of energy consumption (%) excluding consumption met from hydro sources of power.
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Solar	Non-Solar	Total				
Wind	Biomass	Total				
1	2019-20	7.25	8.75	1.5	10.25	17.5
2	2020-21	8.75	8.75	1.5	10.25	19
3	2021-22	10.5	8.9	1.6	10.5	21

Provided that the energy generated from Biomass, Biogas, Biomass Gasifier and Municipal Solid Waste (MSW)/Waste-to-Energy (WtE) based sources shall be covered under the Biomass category: Provided further that in case of insufficient availability of energy from Biomass based sources during a year, the shortfall can be made good by Wind Energy and to this extent, RPO for wind would be increased: Provided also that on achievement of Solar RPO Compliance to the extent of 85% and above remaining shortfall if any, can be met by excess Non-solar energy purchased beyond specified Non-solar RPO for that particular year: Provided also that on achievement of Non-Solar RPO Compliance to the extent of

85.

% and above, remaining shortfall if any can be met by excess solar energy purchased beyond specified Solar RPO for that particular year.] [Added by Notification No. RERC (Power Purchase & Procurement Process of Distribution Licensees)/Secy/Regulation, dated Jaipur, August, 2018 (w.e.f. 26.3.2004).](2)The criterion of power purchase will in general follow the principle of least cost commensurate with power system stability, system voltage, frequency profile and system losses.(3)While effecting power purchases, generation of electricity at zero cost shall get preference. These, besides others, may include generation from run of river or canal based hydro station, generation from non conventional energy sources (like Wind, solar etc.) which but for generation may go as waste or generation from storage type hydro power plant which but for generation may result in spillage of water.(4)The criterion shall also provide for power purchases and load management during under frequency, over frequency and islanded operations.

5. Procedure for power purchases.

- Based on the assessment of requirement of electricity on monthly basis as may be approved by the Commission each distribution licensee shall intimate its daily requirement to SLDC, a day in advance. Procedure for implementation of the criterion for power purchase as laid down in load dispatch & system operation code (LDSOC), approved by the Commission, shall be strictly followed. The State Load Despatch Centre (SLDC) shall procure electricity as per LDSOC. The State Load Despatch Centre shall work out the incremental & total cost of power purchase from each source based on relevant parameters viz. fixed cost, variable cost, incentive, penalty etc. and keep all Discoms duly informed.

6. Reactive Power Import/Export.

- SLDC shall endeavor not to import reactive power from the Northern Grid. Requirement of reactive compensation in State power system shall be finalized by energy assessment committee

taking into consideration, inter alia, the recommendation of Regional Electricity Board or Regional Load Despatch Center (RLDC). Said committee shall finalise the reactive compensation in MVAR to be provided by the transmission licencees, distribution licencees and generating companies.

7. Power purchase arrangements or agreements.

- Any new power purchase arrangement or agreement and amendments to existing Power Purchase Agreement (PPA) entered into by distribution licensee(s), shall be subject to the Commission scrutiny (after execution) under section 86 of the Act, in respect of: (a) Necessity. (b) Reasonability of cost. (c) Promoting efficiency, economy & equitability & competition. (d) Conformity with regulations for investment approval. (e) Conformity with requirements of quality, continuity and reliability of supply. (f) Conformity with safety and environmental standards. (g) Conformity with criterion of power purchase as laid down by the Commission. (h) Conformity with policy directives of the State Government and National Power policies.