

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Notification

Shimla, the 2nd February , 2024

HPERC-H(1)25/2021.-WHEREAS, the Himachal Pradesh Electricity Regulatory Commission notified the HPERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2018 on 16th October, 2018, as published in the Rajpatra, Himachal Pradesh on 26th October, 2018, and also notified the 1st and 2nd amendments thereof on 29th June, 2019 and 8th September, 2021 as published in Rajpatra, Himachal Pradesh on 3rd July, 2019 and 10th September, 2021 respectively, which Regulations have hereinafter been jointly refer to as ‘ HPERC DSM Regulations, 2018’;

AND WHEREAS, the Central Electricity Regulatory Commission (CERC for short) notified the DSM Regulations i.e. CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 on 14th March, 2022 (hereinafter to be referred as CERC DSM Regulations, 2022) after repealing its earlier DSM Regulations i.e. CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2014. Several changes relating to Deviation Settlement and Related Matters have been made by CERC in the CERC DSM Regulations, 2022, the implementation of which has been commenced from 00 hours of 05.12.2022. Subsequently, CERC vide Order dated 26th December, 2022 in Petition No. 16/2022 has revised the provision of Clause (1) & (2) of Regulation 8 of the CERC DSM Regulations, 2022 to ensure that the frequency remains within the operating band;

AND WHEREAS, the Commission, in order to align its DSM Regulations, 2018 with the CERC Regulations, 2022, has proposed to replace the HPERC DSM Regulations, 2018 with new Regulations by repealing the HPERC DSM Regulations, 2018 and issued the draft HPERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2023 on 9th January, 2023, as published in the Rajpatra on 12th January, 2023 but the same could not be finalised due to the changes envisaged by the Central Commission in the CERC DSM Regulations, 2022;

AND WHEREAS, in order to address the implementation issues relating to frequency fluctuations etc., the CERC has modified the provisions of clause (1) and (2) of Regulation 8 of the CERC DSM Regulations, 2022, vide order dated 6th February, 2023 in Suo-moto Petition No. 01/SM/2023 for the interest of Grid security;

AND WHEREAS, the Commission now find it appropriate to incorporate the modifications, as carried out by the CERC as per their order dated 6th February, 2023, and re-issue new draft Regulations i.e. HPERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024; and

NOW, THEREFORE, in exercise of the powers conferred by Sub-section (1) and Clause (zp) of Sub-section (2) of Section 181, of the Electricity Act, 2003 (36 of 2003), read with Section 21 of the General Clauses Act, 1897 (10 of 1897), and all other powers enabling it in this behalf, the Commission proposes to make the Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 and as required by Sub-section (3) of Section 181 of the Electricity Act, 2003 (hereinafter to be referred as the Act) and Rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, the draft Regulations are hereby published for the information of all the persons likely to be affected thereby; and notice is hereby given that the said draft Regulations will be taken into consideration after the expiry of thirty (30) days from the date of publication of this notification in the Rajpatra, Himachal Pradesh, together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The text of the aforesaid draft Regulations is available on the website of the Commission i.e. <http://www.hperc.org>.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Vidyut Aayog Bhawan, Block-37, SDA Complex, Kasumpti-171009(HP).

DRAFT RREGULATIONS

1. **Short title and Commencement.**—(1) These Regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024.

(2) These Regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.

2. **Definitions and Interpretation.**—(1) In these Regulations, unless the context otherwise requires,—

- (a) **‘Act’** means the Electricity Act, 2003 (36 of 2003);
- (b) **‘Actual Drawal’** in a time-block means electricity drawn by a buyer, as computed or projected appropriately, as described in more detail in Regulation 5, on the basis of the energy recorded by the Interface meters and other related data of losses;
- (c) **‘Actual Injection’** in a time-block means electricity generated or supplied by the seller, as the case may be, as computed or projected appropriately and described in more detail in Regulation 5, on the basis of the energy recorded by the Interface Meters and other related data of losses;
- (d) **‘Area Load Despatch Centre’ or ‘ALDC’** means a Load Despatch Centre established by the Distribution Licensee operating in the State to carry out the operating directives of the SLDC and assist the SLDC for safe and integrated operation of the concerned distribution network;

- (e) **'Ancillary Services'** means the Ancillary Services as defined in the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations, 2022 as amended from time to time;
- (f) **'Area Clearing Price (ACP)'** means the price of a time block electricity contract established on the Power Exchange after considering all valid purchase and sale bids in particular area(s) after market splitting:
Provided that SLDC shall for the purpose of these Regulations, take into account the price followed by the Northern Regional Power Committee (NRPC) or by any other agency designated for the purpose, pursuant to Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022.
- (g) **'Available Capacity'** for a generating station based on wind or solar or hybrid of windsolar resources which are State Entities, is the cumulative capacity rating of wind turbines and solar inverters that are capable of generating power in a given time block;
- (h) **'Beneficiary'** means the person purchasing electricity generated from a generating station;
- (i) **'Buyer'** means a person, including beneficiary and Distribution Licensee, purchasing electricity through a transaction scheduled in accordance with the relevant Regulations, including those applicable for short-term open access, medium-term open access and long-term access;
- (j) **'Commission'** means the Himachal Pradesh Electricity Regulatory Commission referred to in Sub-section (1) of Section 82 of the Act.
- (k) **'Contract Rate'** means the tariff for sale or purchase of power, as determined under Section 62 or adopted under Section 63 or approved under Section 86(1)(b) of the Act by the Appropriate Commission or the price as discovered in the Power Exchange, as the case may be;
- (l) **'Day Ahead Market (DAM)'** means a market where Day Ahead Contracts are transacted on the Power Exchanges and is governed by the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (as amended from time to time), the Rules and Bye-Laws of the Power Exchanges as approved by the Central Commission;
- (m) **'Deviation'** in a time-block for a seller means its total actual injection minus its total scheduled generation and for a buyer means its total actual drawal minus its total scheduled drawal;
- (n) **'Gaming'** in relation to these Regulations, shall mean an intentional mis-declaration of declared capacity by any seller or buyer in order to make an undue commercial gain through a Charge for Deviations;
- (o) **'General Seller'** means a seller in case of a generating station based on other than wind or solar or hybrid of wind-solar resources;
- (p) **'State Grid Code'** means the Grid Code specified by the Commission under clause of Sub-section (1) of Section 86 of the Act;

- (q) **‘Interface Meters’** mean interface meters as defined by the Central Electricity Authority under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time;
- (r) **‘Intra-State Deviation Charges’** mean charges for deviation as specified by these Regulations;
- (s) **‘Normal Rate of Charges for Deviation’** means the charges for deviation (in paise/kWh) as referred to and described in more detail in Clause (I) of Regulation 5 of these Regulations;
- (t) **‘Open Access Consumer/Customer’** means a Consumer, Trader, Distribution Licensee or Generating Company who has been granted Open Access under relevant Regulations;
- (u) **‘Open Access Regulations’** mean the Himachal Pradesh Electricity Regulatory (Grant of Connectivity, Long-term and Medium-term Intra-State Open Access and Related Matters) Regulations, 2010 and the Himachal Pradesh Electricity Regulatory Commission (Short Term Open Access) Regulations, 2010 as amended, or re-enacted from time to time;
- (v) **‘Qualified Coordinating Agency (QCA)’** means the agency/ licensee coordinating on behalf of RE generators and other systems, if any, connected to a pooling station. The QCA may be one of the Generator/Distribution Licensee or RE generator selling power to the Distribution Licensee or any other mutually agreed agency for the following purposes, namely:—
- (i) coordinate the schedules with periodic revisions on behalf of all the RE generators connected to the pooling station(s) or selling power to the Distribution Licensee;
 - (ii) responsible for coordination with the State Transmission Utility (STU)/SLDC for metering, data collection/ transmission, communication;
 - (iii) where applicable, undertake commercial settlement on behalf of the generators of such charges pertaining to generation deviations only including payments to the Regional/State Deviation Pool Accounts through the SLDC; and
 - (iv) undertake de-pooling of payments received on behalf of the generators from the State Deviation Pool Account and settling them with the individual generators.

The QCA shall be treated as a State Entity and shall be registered with the SLDC.

- (w) **‘Renewable Rich State’ or ‘RE-Rich State’** means a State whose combined installed capacity of solar and wind generating stations under the control area of the State is 1000 MW or more;
- (x) **‘Reference Charge Rate’ means –**
- (i) in respect of a general seller whose tariff is determined under Section 62 or Section 63 of the Act, Rs/kWh energy charge as determined by the Appropriate Commission; or

- (ii) in respect of a general seller whose tariff is not determined under Section 62 or Section 63 of the Act, the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchanges, as the case may be.
- (za) **‘Run-of-River Generating Station’ or ‘RoR generating Station’** means a hydro generating station which does not have upstream pondage;
- (zb) **‘Scheduled Generation’ or ‘Scheduled Injection’** for a time block or any period means the schedule of generation or injection in MW or MWh including the schedule for Ancillary Services and also for Un-Requisitioned Surplus (URS) as per Clause (L) of Regulation 5 of these Regulations and as given by the State Load Despatch Centre;
- (zc) **‘Scheduled Drawal’** for a time block or any period means the schedule given by the State Load Despatch Centre for drawal in MW or MWh including the schedule for Ancillary Services and also for URS under Clause (L) of Regulation 5 of these Regulations;
- (zd) **‘Seller’** means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the relevant Regulations applicable for short-term open access, medium-term open access and long-term open access;
- (ze) **‘State Entity/Constituent’** means such a person who is in the SLDC control area and whose metering and energy accounting is done at the State level and as described in more detail in Clause (C) of Regulation 5 of these Regulations;
- (zf) **‘State Load Despatch Centre’ or ‘SLDC’** means the centre established under Sub-section (1) of Section 31 of the Act;
- (zg) **‘State Grid’** means the Intra-State Transmission System/ network owned by the State Transmission Utility (STU)/transmission licensee(s) and/or the EHV/High Voltage Distribution System/ network owned by the Distribution Licensee (s) within the State;
- (zh) **‘State Periphery’ or ‘HP Periphery’** means, except in situations which may warrant any other treatment in specific cases, the interconnection point of the transmission system of the STU with the transmission system of the CTU; or with any other inter State transmission system not owned by any State Entity, or with the generation bus-bar of the joint sector projects from where power is supplied to the Distribution Licensee through the STU system;
- (zi) **‘STU Periphery’** means the interconnection point between the transmission system of the STU with the distribution system of the Distribution Licensee;
- (zj) **‘Time-block’** means the time duration for which electrical parameters and quantities are recorded by energy meter, with first time block

starting at 00.00 hrs. The duration of a time block, as followed by the Northern Regional Load Despatch Centre (NRLDC) and NRPC, time to time, shall be applicable:

Provided that the Commission may revise the duration of time block from the date to be notified by it from time to time;

- (zk) **‘Un-Requisitioned Surplus’ or ‘(URS)’** means the reserve capacity in a generating station that has not been requisitioned and is available for despatch, and is computed as the difference between the declared capacity of the generating station and its total schedule under long-term, medium-term and short-term transactions, as per the relevant Regulations of the appropriate Commission;
- (zl) **‘Week’** means a period of seven continuous days beginning at 00.00 hrs of each Monday or as reckoned by the NRPC for preparing weekly deviation accounts;
- (zm) **‘Weighted Average Area Clearing Price’** means the rate computed for each time block by considering the area wise price and cleared volume for Day Ahead Market (DAM) and Green Day Ahead Market (GDAM) in all the operational power exchanges:

Provided that SLDC shall, for the purpose of these Regulations, follow the rate equivalent to that followed by NRPC under the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022; and

- (zn) **‘WS seller’** means a seller in case of a generating station based on wind or solar or hybrid of wind-solar resources.
- (2) The words and expressions used in these Regulations and not defined herein, but defined in the Act or the Regulations issued by the Commission, shall have the meanings assigned to them in the Act or in such Regulations issued by the Commission; the words and expressions used herein but not specifically defined in these Regulations or in the Act, but defined under any law, passed by a competent Legislature and applicable to the electricity industry in the State, shall have the meanings assigned to them in such law; the words and expressions used herein, but not specifically defined in the Regulations or in the Act or any law passed by a competent Legislature, shall have the meanings as are generally assigned to them in the electricity industry.
3. **Objective.**-The objective of these Regulations is to maintain grid discipline and grid security as envisaged, under the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 and Himachal Pradesh Electricity Grid Code, 2008 as amended from time

to time, through the commercial mechanism for Deviation Settlement through drawal and injection of electricity by the users of the grid.

4. **Scope.**-These Regulations shall be applicable to the buyers and the sellers i.e. the State Distribution Licensee (s), State Sector Generating Stations and Open Access Customers connected to the State Grid:

Explanation.-The sellers selling power to a person forming the State Entity, including the Distribution Licensee, on regular basis shall not be considered as separate State Entity in relation to such sale of power under regular arrangement and the availability of power from the such sources shall be accounted for by the State Entity purchasing such power for all intents and purposes. However, in case only a part of the total energy sales by a seller is being sold under regular arrangement and balance part is sold to any other person, not forming a State Entity of the State, such seller shall be considered as a separate State Entity in relation to sale of such balance portion. Accordingly the generating stations selling the entire saleable energy to the Distribution Licensee shall not be treated as the State Entities for the purpose of scheduling and despatching.

5. **Principles for operationalising Deviation Settlement Mechanism.**-The framework for Deviation Settlement Mechanism shall cover the following key design parameters:-

- (A) Scheduling period;
- (B) Premise for least cost despatch;
- (C) Consolidated scheduling of all the State Entities at the State periphery;
- (D) Deviation and computation thereof;
- (E) Settlement period;
- (F) Measurement unit for State Deviation Pool;
- (G) Charges for Deviation;
- (H) Adherence to Schedule and Deviation;
- (I) Normal Rate of Charges for Deviations;
- (J) Premise for allocation of losses;
- (K) Submission of data by the generating station not considered as the State Entities;
- (L) Procurement of URS in the interest of the State Grid;
- (M) Congestion Charges; and
- (N) Transfer/Downloading/recording of Meters data and communication to the SLDC;

- (A) Scheduling Period.-The scheduling in relation to a day shall be done for each time block in that day starting from 00:00 hours (IST) ending with 24:00 hours (IST) :

Provided that the Interface Metering, Energy Accounting and Deviation Settlement should be capable to undertake

transactions with the duration of each time block as followed or may be followed in future by Northern Regional Load Despatch Centre (NRLDC) from time to time. All future resource planning, IT and communication system requirement and infrastructure development shall be undertaken to cater to this requirement.

- (B) Premise for least cost dispatch.-Based on the availability schedule forecasted by generating stations (Sellers) and load requirement forecasted by Buyers, the SLDC shall draw up the least cost despatch schedule on Day Ahead basis for the State Entities in accordance with the merit order principles as applicable, or approved by State Commission, from time to time:

Provided that wheeling transactions of captive users and open access consumers shall be despatched as contracted subject only to transmission and distribution system constraints and system emergency conditions.

- (C) Consolidated Scheduling of all the State Entities at the State periphery.-The injection/drawal schedules of the State Entities, other than the Distribution Licensee, shall be prepared with reference to their respective injection/drawal points in the State and shall, for the purposes like preparation of consolidated schedule for the State as a whole, accounting, computation and recovery of various charges under these Regulations etc., be projected to the State periphery by loading applicable transmission and distribution losses of the STU and Distribution Licensee, as applicable:

Provided that in cases involving sale of energy by the generating stations directly connected to the distribution system of the Distribution Licensee to the retail consumers of Distribution Licensee procuring power from such generating stations through Intra-State open access without involving STU system under the normal scheme of flows, the transmission losses of the STU shall not be loaded to their respective injection/drawal schedules for projecting the same to the State periphery:

Provided further that the Distribution Licensee shall give its net schedule w.r.t. the STU periphery which shall be projected to the State periphery by loading the transmission losses of the STU:

Provided further that all the charges specified in these Regulations shall be levied based on the data at State periphery:

Provided further that the SLDC shall ensure the sum total of the schedule, actual drawl or injection, as the case may be, for each time block matches, accept for inevitable minor

adjustments as may be carried out by the SLDC, with the total schedule of drawal or injection for the State and such matching is not carried out simply by apportioning the residual quantum to a single State Entity.

(D) Deviation and Computation thereof.- For the purposes of Deviation settlement amongst the State Entities, the SLDC shall work out the 'Deviation Pool Accounts' comprising over-drawal/under-drawal and over-injection/under-injection for each State Entity corresponding to each Scheduling period in accordance with the principle that the deviation in a time-block for a Seller means its total actual injection minus its total scheduled generation and for a Buyer means its total actual drawal minus its total scheduled drawal. Accordingly -

(1) Deviation in a time block for general sellers shall be computed as follows:

Deviation-general seller (in MWh)= [(Actual injection in MWh)– (Scheduled generation in MWh)].

Deviation-general seller (in %)= 100 x [(Actual injection in MWh) – (Scheduled generation in MWh)] / [(Scheduled generation in MWh)].

(2) Deviation in a time block for WS sellers shall be computed as follows:

Deviation-WS seller (in MWh)=[(Actual Injection in MWh)–(Scheduled generation in MWh)].

Deviation-WS seller (in %) = 100 x [Number of time blocks comprising in an hour] x [(Actual Injection in MWh) – (Scheduled generation in MWh)] / [(Available Capacity in MW)].

(3) Deviation in a time block for buyers shall be computed as follows:

Deviation- buyer (in MWh)=[(Actual drawal in MWh) – (Scheduled drawal in MWh)].

Deviation- buyer (in %) = 100 x[(Actual drawal in MWh) – (Scheduled drawal in MWh)]/[(Scheduled drawal in MWh)] :

Provided that the scheduling as well as the actual drawals and injection, as the case may be, shall be reckoned at a common point as per the provisions under Clause (C) of this Regulation:

(E) Settlement Period.-Preparation and settlement of 'Deviation Pool Accounts' shall be undertaken on weekly basis coinciding with mechanism followed for regional energy accounts. The SLDC shall also prepare and issue detailed statements as per Regulation 10 alongwith such accounts.

(F) Measurement Unit for Deviation Pool Account.-The measurement unit for Deviation Pool Volume (Over-drawal/Under-drawal and Over-

injection/under-injection) preparation shall be kiloWatt hours (kWh). Measurement unit for Deviation Pool Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of the energy unit (kWh) and amount (INR) shall be rounded off to nearest integer value.

- (G) Charges for Deviation.- The charges for Deviation shall be computed at the rates specified in Regulation 7 or such other rates subsequently notified by the Commission from time to time.
- (H) Adherence to Schedule and Deviation.- (i) The SLDC shall endeavour that the grid frequency remains close to 50.000 Hz and in case frequency goes outside the allowable band, ensure that the frequency is restored within the allowable band of 49.900-50.050 Hz at the earliest.
- (ii) For a secure and stable operation of the grid, every grid connected State entity shall adhere to its schedule and shall not deviate in a schedule. In particular, the deviation in the following nature must be avoided-
- (a) for a time block in which the average frequency is less than 49.95 Hz any under injection by a seller or overdrawl by the buyer must be avoided.
- (b) in a time block in which the average frequency exceeds 50.03 Hz, the over injection by the seller or underdrawl by the buyer must be avoided.
- (iii) All State entities shall adhere to their schedule of injection or drawl, as the case may be, and take such action as required under relevant Regulations and as directed by the SLDC or any other appropriate competent Load Despatch Centre so that the grid frequency is maintained and remains within the allowable band.
- (iv) the related procedural matters in respect of deviation, computation, charges, which have not otherwise specified in any Regulations of the Commission, shall be suitably dealt by the State Load Despatch Centre; and
- (v) no State Entity shall be entitled to violate the schedule merely because it is liable to pay the deviation charges.
- (I) Normal Rate of Charges for Deviations.- (1) The normal rate of charges for deviation for a time block shall be equal to the normal rate of charges for deviation, as followed by Northern Regional Power Committee (NRPC) for the billing purpose for that time block in line with the provisions of the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022.

(2) The normal rate of charges for deviation shall be rounded off to the nearest two decimal places.

- (J) Premise for allocation of losses.-For the purpose of Deviation Pool accounting, intra-State transmission system losses and distribution losses, as approved by the Commission, shall be applicable to the State Entities using State network on their actual drawal/injection:

Provided that the State Load Despatch Centre shall maintain account of actual intra- State transmission system loss for each time block and publish reconciliation statement of 52 weekly average loss vis-à-vis approved loss by the Commission on its website.

- (K) Submission of data by generating stations.-Such generating stations as are selling entire saleable energy to the Distribution Licensee and are not considered as separate State Entities in view of explanation under Regulation 4, shall submit their projections/estimates and other online and offline data as may be required by the ALDC so as to enable the ALDC to prepare consolidated schedule of the Distribution Licensee and also to keep SLDC updated on the information relating to the Distribution Licensee, including such generating stations.

- (L) Procurement of URS by the SLDC in the interest of the State Grid.-In the event of sudden fall in availability of one or more State Entities by more than 20 MW for any individual State Entity, if the concerned State Entity generator has not already initiated any steps, or is not entitled, to revise his schedule, the SLDC may, in the interest of grid security, procure, under intimation to such State Entity(ies), URS from the concerned generating stations for such time blocks as it may feel appropriate duly keeping in view the main objectives that no power cuts should be imposed in the State, as far as possible, and also that the grid parameters must be maintained within the permissible limits:

Provided that the SLDC shall adhere to the uniform procedure developed by it in accordance with the Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2018 or as may be updated/modified by it from time to time as per the provisions of these Regulations:

Provided further that the SLDC may carry out any such updation and modification in the said procedure after consultation with the State Entities:

Provided further that in the uniform procedure to be followed by the SLDC shall always spell out the broad situations under which it may procure Un-Requisitioned Surplus (URS) even for the

individual State Entity whose cases fall in availability does not exceed 20 MW:

Provided further that while procuring URS on behalf of more than one State Entity, the SLDC shall duly indicate the share (quantum and rate) of each such State Entity at the time of such procurement and shall also subsequently reflect the same in the weekly/ monthly deviations accounts statement showing the share of each State Entity in the quantum of URS procured by it:

Provided further that the SLDC shall also, apportion, within 5 days from the date of issue of monthly accounts, whether provisional or final or revised, by NRPC for any month, the total energy booked for the State amongst concerned State Entities on the aforesaid lines:

Provided further that if SLDC procures URS on the basis of specific requests made by the Distribution Licensee or any other State Entity(ies), it shall apportion such URS to the concerned State Entity(ies) exclusively.

- (M) Congestion Charges.-If any, congestion charges are payable/ receivable by the Himachal Pradesh depending upon the real time behavior of the State in line with the Central Electricity Regulatory Commission (Measures to relieve congestion in real time operation) Regulations, 2009, the SLDC shall reflect the amount of congestion charges in the weekly accounts statement showing the share of each State Entity on the basis of deviation by each user calculated for each time block:

Provided that the SLDC shall apportion congestion charges within two days from the date of issuance of Congestion Charges Account from NRPC and each State Entity shall pay the amount indicated in the account within 4 (Four) days of issuance of such account by the SLDC. Any delays in payment shall be dealt as per Regulation 12 of these Regulations.

- (N) Transfer/Downloading/recording of Meters data and communication to the SLDC.-

- (i) Meter data downloading/reading of the Interface Energy Meters (EMs), or of any other meters installed for automatic transfer of data as appropriate as required by the SLDC, shall be taken by the authorized officers of the transmission licensee or the Distribution Licensee, as the case may be, on weekly basis (on every Monday for preceding week (00:00 Hrs of Monday to 24.00 Hrs of Sunday) and shall supply the same to the SLDC latest by every Tuesday. Any change in multiplication factor or Current Transformer (CT) /Potential Transformer (PT) ratio setting shall also be recorded. The downloaded data in the electronic form and hardcopy printout alongwith a statement of consumption as recorded by the Main,

Check Energy Meters and, in case of the consumers of the Distribution Licensee, the Time of Day (ToD) meter also, duly authenticated by the concerned Sr. Executive Engineer of the concerned licensees, shall be sent to the SLDC for preparation of Intra-State Deviation Settlement account of the State Entities:

Provided that in cases where the State Entity, other than the Transmission Licensee/Distribution Licensee, expresses its intention to associate itself in the process of downloading/reading of Energy Meter(s), the authorised representative of such State Entity shall also be associated in the process:

Provided further that if the representative of the concerned State Entity does not turn up at the scheduled time of downloading/taking such readings of Energy Meter(s), the authorised officer of the transmission licensee/ Distribution Licensee, as the case may be, shall download/take the readings and submit the same to the SLDC under intimation to the concerned State Entity:

Provided further that the SLDC may issue, on the need based, detailed instructions in this regard to all the State Entities.

- (ii) The State Entities shall mandatorily provide the telemetry data to the SLDC and shall ensure the correctness of the real time data and undertake the corrective actions, if required. Frequency of real time data updation to be shared with SLDC shall be 10 second or less as per prevailing practice being followed by Regional Load Despatch Centre (RLDCs). Further, any other outage plan shall be forwarded to SLDC:

Provided that the State Entities shall follow Central Electricity Regulatory Commission (Communication Systems for Inter-State Transmission of Electricity) Regulations, 2017 for Communication infrastructure to be used for data communication, tele-protection of power system at the State level till the Commission notifies separate Regulations on Communication systems for State Entities:

Provided further that the State Entities shall abide by any guidelines, technical standards, protocols for communication system etc. which may be notified by Central Electricity Authority under CERC (Communication Systems for Inter-State Transmission of Electricity) Regulations, 2017, as applicable to them.

- 6. Declaration, scheduling and elimination of gaming.**-(1) The provisions of the State Grid Code, 2008, and the Himachal Pradesh Electricity Regulation Commission (Short Term Open Access) Regulations, 2010 and

the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010, and other appropriate Regulations as may be relevant, as amended from time to time, shall be applicable for declaration of capacity, scheduling and elimination of gaming.

(2) The generating stations, as far as possible, shall generate electricity as per the day ahead generation schedule finalized by the State Load Despatch Centre in accordance with the State Grid Code:

Provided that the revision in generation schedule on the day of operation shall be permitted, in accordance with the procedure specified under the State Grid Code, 2008 as amended from time to time.

(3) The QCA shall coordinate the aggregation of schedule of all generators connected to a pooling station or selling power to the Distribution Licensee and communicate it to the SLDC. The QCA shall undertake all commercial settlements on behalf of the renewable energy generator(s) connected to the respective pooling station(s) or selling power to the Distribution Licensee.

(4) The Commission, either *suo motu*, or on a petition made by SLDC or any affected party, may initiate proceedings against any State Entity namely the generator, Distribution Licensee, Open Access Consumer etc. on charges of gaming and, if required, may order an inquiry in such manner as decided by the Commission. When the charge of gaming is established in the aforesaid inquiry, the Commission may, without prejudice to any other action under the Act or Regulations made thereunder, disallow any Charges for Deviation received by such State Entity during the period of such gaming.

7. Charges for Deviation.- (1) The Charges for deviation in a time block shall be payable by a seller as under:

Entity	The Charges for deviation in a time block payable to the State Deviation Pool Account:-	
Seller	Deviation by way of over injection	Deviation by way of under injection
For a general seller other than an RoR generating station or a generating station based on municipal solid waste	<p>Zero:</p> <p>Provided that for a time block in which the average frequency is not less than 49.95 Hz, but does not exceed 50.03 Hz, such seller shall be paid back for over injection @ the reference charge rate for deviation upto [10% DGS or 40 MW, whichever is less].</p> <p>Note: In case the average frequency in a time block is less than 49.95Hz or exceeds</p>	<p>For a time block in which the average frequency is not less than 49.95 Hz, but does not exceed 50.03 Hz, the charges for deviation shall be payable as per the following:-</p> <p>(i) @ the reference charge rate up to [10% DGS or 40MW, whichever is less];</p> <p>(ii) @120% of the normal rate of charges for deviation by way of under injection beyond [10% DGS or 40MW, whichever is less] and upto [15% DGS or 60 MW, whichever is less]; and</p>

	50.03 Hz, the provision under Sub-regulation 3 (A) or 3(B) of this Regulation as relevant shall be applicable.	(iii) @150% of the normal rate of charges for deviation beyond [15% DGS or 60 MW, whichever is less]. Note: In case the average frequency in a time block is less than 49.95Hz or exceeds 50.03 Hz, the provision under Sub-regulation 3 (A) or 3(B) of this Regulation as relevant shall be applicable.
For a general seller being an RoR generating station	Zero: Provided that such seller shall be paid back for over injection @ the reference charge rate for deviation upto [10% DGS or 40MW, whichever is less].	(i) @ the reference charge rate up to [10% DGS or 40 MW, whichever is less]; (ii) @ the normal rate of charges for deviation by way of under injection beyond [10% DGS or 40 MW, whichever is less] and up to [15% DGS or 60MW, whichever is less]; and (iii) @ 110% of the normal rate of charges for deviation beyond [15% DGS or 60MW, whichever is less].
For a general seller being a generating Station based on Municipal solid waste	Zero: Provided that such seller shall be paid back for over injection up to [20% DGS] @ contract rate, or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block.	(i) Zero up to [20% DGS]: Provided that such seller shall pay back for the shortfall in energy against its schedule in any time block due to under injection up to [20% DGS] @ 50% of the contract rate, or in the absence of a contract rate, @ 50% of the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block; and (ii) @ normal rate of charges for deviation beyond [20% DGS].
For the seller being a generating station based on solar or wind or hybrid of wind-solar resources	Zero: Provided that such seller shall be paid back for over injection as under: (i) @ contract rate, or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, up to [10% DWS]; and (ii) @ 90% of the contract rate, or in the absence of a contract rate, @ 90% of the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block for deviation beyond [10% DWS] and up to [15% DWS]	(i) Zero up to [10% DWS] and (ii) @ 10% of contract rate or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block for deviation beyond [10% DWS] and up to [15% DWS] and (iii) @ 50% of contract rate or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block for deviation beyond [15% DWS]: Provided that such seller shall pay back for the total shortfall in energy against its schedule in any time block due to under injection, @ the contract rate, or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges, for the respective time block.

Note: DGS means Deviation-general seller (in %); DWS means Deviation-WS seller (in %)

(2) The charges for deviation in a time block in which the average frequency is not less than 49.95 Hz but does not exceed 50.03Hz shall be payable by the buyer as under:

Entity	The Charges for deviation in a time block payable to the State Deviation Pool Account:-	
Buyer	Deviation by way of under drawal	Deviation by way of over drawal
Buyer (other than the buyer with schedule less than 400 MW and the RE-rich State)	<p>Zero:</p> <p>Provided that for a time block in which the average frequency is not less than 49.95 Hz, but does not exceed 50.03 Hz, such buyer shall be paid back for under drawal as under:</p> <p>(i) @ 90% of normal rate of charges, for deviation up to [10% DBUY or 100 MW, whichever is lower];</p> <p>(ii) @ 50% of normal rate of charges, for deviation beyond [10% DBUY or 100 MW,, whichever is lower] and up to [15% DBUY or 200MW, whichever is lower].</p> <p>Note: In case the average frequency in a time block is less than 49.95Hz or exceeds 50.03 Hz, the provision under Sub-regulation 3 (A) or 3(B) of this Regulation as relevant shall be applicable.</p>	<p>For a time block in which the average frequency is not less than 49.95 Hz, but does not exceed 50.03 Hz, the charges for deviation shall be payable as per the following:-</p> <p>(i) @ normal rate of charges for deviation up to [10% DBUY or 100 MW, whichever is lower];</p> <p>(ii) @120% of normal rate of charges for deviation beyond [10 % DBUY or or100 MW DBUY, whichever is lower] and upto [15% DBUY or 200 MW, whichever is lower]; and</p> <p>(iii) @150% of normal rate of charges for deviation beyond [15% DBUY or 200MW, whichever is lower].</p> <p>Note: In case the average frequency in a time block is less than 49.95Hz or exceeds 50.03 Hz, the provision under Sub-regulation 3 (A) or 3(B) of this Regulation as relevant shall be applicable.</p>
Buyer (with schedule up to 400 MW)	<p>Zero:</p> <p>Provided that such buyer shall be paid back for under drawal @ 90% of normal rate of charges for deviation up to [20% DBUY or 40 MW, whichever is lower].</p>	<p>(i) @ normal rate of charges for deviation up to [20% Deviation-buyer (in %) or 40 MW, whichever is lower]; and</p> <p>(ii) @120% of normal rate of charges for deviation beyond [20% DBUY or 40 MW, whichever is lower].</p>
Buyer (being an RE Rich State)	<p>Zero:</p> <p>Provided that such buyer shall be paid back for under drawal as under:</p> <p>(i) @ 90% of normal rate of charges for deviation up to [200 MW]; and</p> <p>(ii) @ 50% of normal rate of charges for deviation beyond [200 MW] and up to [300 MW].</p>	<p>(i) @ normal rate of charges for deviation up to 200 MW;</p> <p>(ii) @120% of normal rate of charges for deviation beyond [200 MW] and upto [300 MW]; and</p> <p>(iii) @150% of normal rate of charges for deviation beyond [300 MW].</p>

Note: DBUY means Deviation- buyer (in %)

(3) Notwithstanding anything contained in Sub-regulations (1) and (2) of this Regulations, the provisions of items (A) and (B) of this Sub-regulation as stipulated below shall apply irrespective of volume limit, in respect of the general seller other than an ROR generating station or a generating station based on municipal solid waste and in respect of the buyer, when the system frequency (hereinafter “f”) in a time block, is “below 49.95 Hz (i.e. $f < 49.95$ Hz)” or “above 50.03 Hz (i.e. $f > 50.03$ Hz).

(A) When $f < 49.95$ Hz

- (a) The general seller other than an ROR generating station or a generating station based on municipal solid waste shall be paid back for deviation by way over injection (i) @ 120% of reference charge rate when $[49.90 \text{ Hz} < f < 49.95 \text{ Hz}]$; and (ii) @ 150% of reference charge rate when $[f \leq 49.90]$;
- (b) The general seller other than an ROR generating station or a generating station based on municipal solid waste shall pay for deviation by way under injection (i) @ 150% of reference charge rate or @ 120% of the normal rate of charge for deviation, whichever is higher, when $[49.90 < f < 49.95]$; and (ii) @ 200% of reference charge rate or @ 150% of the normal rate of charge for deviation, whichever is higher, when $[f \leq 49.90]$;
- (c) The buyer shall be paid back for deviation by way of under drawal (i) @ 120% of normal rate of charge for deviation when $[49.90 < f < 49.95]$; and (ii) @ 150% of normal rate of charge for deviation when $[f \leq 49.90]$;
- (d) The buyer shall pay for deviation by way of over drawal (i) @ 150% of normal rate of charge for deviation when $[49.90 < f < 49.95]$; and (ii) @ 200% of normal rate of charge for deviation when $[f \leq 49.90]$.

(B) When $f > 50.03 \text{ Hz}$

- (a) The general seller other than an ROR generating station or a generating station based on municipal solid waste shall be paid back for deviation by way over injection (i) @ 50% of reference charge rate when $[50.03 < f < 50.05]$; and (ii) @ zero when $[f \geq 50.05]$;
- (b) The general seller other than an ROR generating station or a generating station based on municipal solid waste shall pay for deviation by way under injection (i) @ 75% of reference charge rate, when $[50.03 < f < 50.05]$; and (ii) @ 50% of reference charge rate, when $[f \geq 50.05]$;
- (c) The buyer shall be paid back for deviation by way of under drawal (i) @ 50% of normal rate of charge for deviation when $[50.03 < f < 50.05]$; and (ii) @ zero when $[f \geq 50.05]$;
- (d) The buyer shall pay for deviation by way of over drawal (i) @ 75% of normal rate of charge for deviation when $[50.03 < f < 50.05]$; and (ii) @ zero when $[f \geq 50.05]$.

- (4) (a) in cases where treatment of infirm power has been included in the PPA, or in any other agreement, or the provision for treatment of such power are already provided in any of the Regulations, the same shall be governed by such conditions or provisions;
- (b) in cases not covered under the Clause (a) above, the infirm power injected into the grid by a generating unit or a generating station during the testing, prior to Commercial Operation Date (COD) of the unit, shall be paid at charges for deviation for infirm power injected into the grid, consequent to testing, for a period not exceeding 6 months, or any other period fixed, by order, by the Commission for the purpose, subject to a ceiling of cap rate of

Rs. 1.78/kWh sent out in case of hydro/ wind/ solar/Municipal Solid Waste generation; and

- (c) the charges for deviation for drawal of start-up power before COD of a generating unit or for drawal of power to run the auxiliaries during shut-down of a generating station shall be payable at the rate stipulated in the relevant Power Purchase Agreement or, in absence of the same, at the higher of normal rate of charges for deviation or weighted average area clearing price.

8. Contravention of the limits and uploading of records on website.- (1) Charges for Deviation under Regulation 7 shall be levied without prejudice to any action that may be considered appropriate by the Commission under Section 142 of the Act for contravention of the provisions of these Regulations.

(2) The charges for over-drawal/under-injection and under-drawal/over-injection of electricity shall be computed by the SLDC.

(3) The SLDC shall, on weekly basis prepare and publish on its website, the records of the Deviation Accounts quantifying the over-drawal/under-injection and over injection/under drawal and corresponding amount of charges for Deviation payable/ receivable for each buyer and seller for all the time-blocks. The SLDC shall also upload the details of DSM account and the status of amounts received/paid as well as the interest payable/ receivable against each bill on regular basis.

(4) The SLDC shall also submit quarterly reports to the Commission indicating summary of the grid behavior and discipline maintained by the State Entities alongwith the details of any significant reportable events and the suggestions, if any, in regard to the matters concerning grid discipline.

9. Compliance with instructions of State Load Despatch Centre. Notwithstanding anything specified in these Regulations, the sellers and the buyers shall strictly follow the instructions of the SLDC on injection and drawal in the interest of grid security and grid discipline.

10. Accounting of Charges for Deviation and Billing.-(1) The SLDC shall prepare the State Energy Accounts on monthly basis. In addition, the SLDC shall, on weekly basis, also —

- (i) prepare statements showing the amount payable and receivable, separately for deviation charges under Regulation 7, by each State Entity;
- (ii) in case for any day, the amount payable by various State Entities separately on account of charges under Regulation 7 falls short of the total amount payable for that day for the State as a whole on account of the corresponding charges under each component of billing as per the bill(s) raised by NRLDC/NRPC, the amount(s) payable, for that day, by the concerned State Entity(ies) against such charges under respective component of billing shall be increased proportionately (*i.e.* in proportion to

the sum total of the mode values of the amount payable and receivable separately under each of the component of billing) so as to cover up such shortfall for that day fully separately in respect of each of such charges;

Explanation.—The proportionate increase on these lines shall be carried out on daily basis only *i.e.* separately for each day and separately for the charges under each of the said regulation, even though the bills are otherwise to be raised on weekly basis;

- (iii) reflect other requisite details as it may consider appropriate in such statement;
 - (iv) devise suitable formats for preparing and reflecting the accounts/ payments detail in a fair and transparent manner; and
 - (v) provide the statements of Deviation charges on weekly basis and other details as above, as prepared by it, to all State Entities for the seven-day period ending on the previous Sunday mid-night, within 2 days of issuance of bills by the NRLDC/NRPC.
- (2) The SLDC shall, within two days issuance of weekly bills by NRLDC/ NRPC, also prepare and raise the same on its State Entities, including Distribution Licensee also, separately for each component of billing viz the deviation charges, congestion charges, if any, as per clause (M) under Regulation 5 and any other charges as due showing appropriate details for each such item, including that for the adjustments on account of shortfall if any as per item (ii) under Sub-regulation (1).
- (3) All payments on account of charges for Deviation levied under these Regulations, and interest, if any, received for late payment, shall be credited to the fund called “the State Deviation Pool Account” which shall be opened, maintained and operated by the State Load Despatch Centre in accordance with provisions of these Regulations:

Provided that,—

- (i) the Commission may, by order, direct any other entity to operate and maintain “ the State Deviation Pool Account” ; and
 - (ii) separate books of accounts shall be maintained by the SLDC for the principal component and interest component separately for each component viz charges for Deviation, congestion charges, URS charges etc.
- (4) All payments received in “the State Deviation Pool Account” shall be apportioned on weekly basis in the following sequence, namely:—
- (i) first towards any cost or expense or other charges incurred on recovery of charges for Deviation;
 - (ii) next towards over dues or penal interest, if applicable;
 - (iii) next towards normal interest;
 - (iv) towards charges for Deviation, and the congestion charges; and

(v) lastly towards the defaulting amount recoverable by the SLDC from the concerned State Entity under Sub-regulation (4) of Regulation 12 in respect of the relevant timeframe starting from the date on which matter is referred by the Distribution Licensee to the SLDC.

- (5) The amounts received in “the State Deviation Pool Account” shall be utilised by the SLDC for payment of the consolidated bill(s) for the Deviation charges and the congestion charges raised by the NRLDC/ NRPC on Distribution Licensee/ SLDC for the State as a whole and also for making payments to any other State Entities who may be entitled to the same in accordance with the Statement of Accounts issued under Sub-regulation (1):

Provided that, save as provided in Regulation 13 of these Regulations the surplus balance, if any, in “the State Deviation Pool Account” shall be retained in the said account and shall be utilized in a manner as may be approved/ directed by the Commission from time to time.

- (6) The amount(s) billed by the NRLDC/NRPC generating stations to the Distribution Licensee on account of supply of URS shall be paid by the Distribution Licensee, who shall, in turn, recover the same from other State Entities to the extent such URS were procured on behalf of such other Entities in accordance with the Statement of Accounts issued by SLDC in accordance with Sub-regulation (1).

- (7) The bills raised by the Distribution Licensee as per Sub-regulation (6) above shall be payable by the concerned Entities within 15 days of issuance of such bills failing which interest shall be payable at the same rate as specified in Regulation 12 for late payment:

Provided that if any of such bill(s) remain unpaid even after expiry of 120 days from the date of raising such bill, the Distribution Licensee may refer the matter to the SLDC, who shall then recover the same, alongwith interest for each day starting from the date of expiry of the grace period of 15 days till the date of payment/settlement from the defaulting State Entity, by allocating suitable priority under Sub-regulation (4) of this Regulation, or by operating Letter of Credit (LC) or otherwise and the amount, so recovered, together with interest for late payment starting from the date or which it was originally due, shall be credited to the account of the Distribution Licensee.

- 11. Special provisions for Open Access Customers who are also retail Consumers of the Distribution Licensee.**-In case of the Open Access Customers who are also Retail Consumers of the Distribution Licensee, the following special provisions shall be applicable, namely :—

- (i) a consumer who meets part of his requirement through open access and balance through supply of power by the Distribution Licensee, shall be entitled to draw the total power within its sanctioned contract demand irrespective of its purchase of power through open access. However, where the consumer has revised his contract demand temporarily within the total sanctioned contract demand as per the provisions of the Supply Code and relevant tariff order, he shall be entitled to draw power within such revised contract demand only until he further revises the contract demand. In case the consumer desires to draw power in excess of his sanctioned contract demand, he shall have to get his sanctioned contract demand increased in accordance with the provisions of the Supply Code and other relevant regulations notified by the Commission from time to time;
- (ii) demand charges shall be payable by the consumer on the sanctioned contract demand/revised contract demand irrespective of its purchase of power through open access, to the licensee as per relevant Schedule of the tariff order. The additional charges on the average demand (Rs./kVA/month) during peak load hours shall also be payable on the basis of the total consumption during the peak load hours in respect of the billing month irrespective of the quantum of energy availed through open access or otherwise;
- (iii) consumer availing short term open access shall submit the schedule only for drawal of power through open access and no schedule for drawal of power as a normal consumer of Distribution Licensee shall be required;
- (iv) the total recorded drawal by the consumer for the different tariff blocks (*i.e.* peak, night and normal hours) in the billing month shall be reduced by the total scheduled entitlement for various time blocks in the respective tariff blocks in the billing month as per the schedules under open access arrangement, irrespective of actual drawal by the consumer in the respective time blocks, but subject to the provisions under the succeeding item. The balance energy shall be treated as supplied by the Distribution Licensee to the consumer as per the relevant tariff order of the Commission. This shall be subject to the condition that if the quantum of such balance energy works out to a negative figure in any time block, the energy supplied by the Distribution Licensee to the consumer in that time block shall be considered as zero and the remaining unadjusted energy for that time block shall be adjusted as per the succeeding item. In case the total drawal, including the same under the open access arrangement, exceeds the sanctioned contract demand or the reduced contract demand, as applicable, at any time during the billing period, such over drawal shall be considered as violation of the contract demand in accordance with the provisions of normal schedule of tariff and the contract demand violation charges shall also be charged accordingly in addition to the energy charges as per the schedule of tariff;

- (v) in case of time blocks where the total recorded drawal of the consumer is less than the scheduled entitlement of the consumer in that time block, the SLDC shall account for such under drawal by the consumer in its accounts and compute the amounts payable/ receivable by that consumer under Regulation 7. The payable/recoverable amounts so worked out by the SLDC shall be payable/recoverable by the consumer directly to/from the SLDC without involving the monthly billing for that consumer under the retail tariff. The Distribution Licensee shall not make any adjustment on this account in the monthly bills. However, the consumer shall not be entitled to any relief in the demand charges on account of any such under drawal;
- (vi) the consumer will, however, continue to be governed by the Supply Code and relevant Schedule of Tariff order approved by the Commission; and
- (vii) for the purposes of energy accounting, adjustments and billing, the energy scheduled (computed in kWh), under open access to the consumer of Distribution Licensee, as projected at the point of supply to that consumer, shall be converted into kVAh by adopting the actual average power factor as recorded in/ calculated from energy meter data for each time block.

12. Schedule of Payment of Charges for Deviation.-(1) The payment of charges for Deviation, congestion charges or any other charges payable as per the SLDC's bills shall have a high priority and the concerned buyer/seller shall pay the billed amounts within 4 (Four) days of the issue of statement of charges for Deviation bills by the SLDC into “the State Deviation Pool Account”.

(2) If payments against any of the charges billed by SLDC not paid within 4(four) days from the date of issue of the bill by the SLDC, the defaulting buyer/seller shall have to pay simple interest @ 0.04% for each day of delay:

Provided that in case of delay in payment of any weekly bill beyond 15 days from the date of issue of bill by SLDC, the simple interest payable by the defaulting State Entity shall be @0.08% for each day of delay beyond the said period of 15 days.

(3) All payments to the buyer/seller entitled to receive any amount as per the bill of charges issued by SLDC shall be made within 4 working days of receipt of the payments in the “State Deviation Pool Account” beyond which buyer/seller shall also be entitled for simple interest @ 0.04% for each day of delay:

Provided that,—

- (i) in case of delay in the payment of charges for Deviations into the State Deviation Pool Account and interest, if any, there on, beyond 8 days from the date of issuance of the Bill of charges, the buyer(s)/ seller(s) who have to receive payment for Deviation or interest there on shall be

paid from the balance available, if any, in the State Deviation Pool Account. In case the balance available is not sufficient to meet the payment to such buyer(s)/ seller(s), the payment from the State Deviation Pool Account shall be made on pro rata basis from the balance available in the Fund referred to the Regulation 15; and

- (ii) the liability to pay interest for the delay in payments to “the State Deviation Pool Account” shall remain till interest is not paid; irrespective of the fact that buyer/seller who have to receive payments have been paid from the “State Deviation Pool Account” in part or full.

(4) In case of default in payment of the amount recoverable by the Distribution Licensee from any other State Entities as per Sub-regulation (7) of Regulation 10, the outstanding amount, alongwith interest shall be recovered by the SLDC from the defaulting Entities as per the provisions of this Regulation by treating the same procedure as applicable for the Deviation charges. For this purpose, the SLDC shall assign priority to this amount on weekly/monthly basis, under Sub-regulation (4) of Regulation 10, starting from the date on which the matter is referred by the Distribution Licensee to the SLDC in accordance with these provisions. Such amount shall, on recovery, from the defaulting Entity(ies), be credited to the account of the Distribution Licensee.

(5) All buyers/sellers, which had at any time during the previous financial year, failed to make payment of charges for Deviation within the time specified in these regulations shall be required to open a Letter of Credit (LC) equal to 110% of its average payable weekly liability for Deviations in the previous financial year, in favour of the SLDC before 14th April of the financial year:

Provided that,—

- (i) if any buyer/seller fails to make payment of charges for Deviation by the time specified in these regulations during the current financial year, it shall be required to increase the amount of LC already opened as per the above provision or open a new LC, as the case may be, for an amount equivalent to 110% of the average weekly liability for the current financial year; and
- (ii) the LC amount shall be increased to 110% of the payable weekly liability for Deviation in any week during the year, if it exceeds the previous LC amount by more than 50%;

Illustration: If the average payable weekly liability for Deviation of a buyer/seller during 2022-23 is Rs. 20 Crore, the buyer/seller shall open LC for Rs. 22 Crore in 2023-24. If the weekly payable liability during any week in 2022-23 is Rs. 35 Crore which is more than 50% of the previous financial year's average payable weekly liability of Rs. 30 Crore, the buyer/seller shall increase the LC amount to Rs. 38.5 Crore (1.1* 35.0) by adding Rs. 16.5 Crore.

(6) In case of failure to pay into the “State Deviation Pool Account” within the specified time of 4 days from the date of issue of statement of charges for Deviations, the SLDC shall be entitled to encash the LC of the buyer/seller to the extent of the default and the buyer/ seller shall recoup the LC amount within 3 days.

(7) In case a State Entity defaults in making payment of a weekly bill, whether directly or through LC, by more than 30 days beyond the due date, the SLDC, in order to recover the dues, may, apart from invoking the provisions made elsewhere in these regulations, also suitably curtail the schedule for the defaulting State Entity, by way of withholding No Objection Certificate (NOC)/ concurrence or any other appropriate means, after giving a notice of 30 days to such defaulting State Entity and may also continue such curtailment till the entire updated outstanding amount, including interest also, is paid by that defaulting State Entity and the requisite letter of credit, as per the requirement of Sub-regulation (5) of this Regulation is also opened and made operative.

13. Application of fund collected through Deviations.-The surplus amount, if any, in the State Deviation Pool Account as on the last days of the months of June and December of each year, or at such other intervals as the Commission may direct from time to time, shall be transferred to a separate fund namely "the State Power Systems Development Fund", which shall be operated and maintained by the SLDC. The fund shall be utilized for the purpose relating to development of power system in the State in the manner specified in these Regulations or as may be approved/directed by the Commission from time to time:

Provided that if the SLDC, for some reasons to be recorded in writing, expects, in relation to an immediately succeeding quarter, a deficit, for meeting its liabilities under the provisions of these Regulations, in the State Deviation Pool Account, it may retain the amount to the extent of such expected deficit in the State Deviation Pool Account, and in that case, shall also, within 07 days from the date of such retention submit the matter, along with complete details, to the Commission for Ex-post-facto approval or any other appropriate directions:

Provided further that in case the SLDC, after transfer of the amount to the Power System Development Fund (PSDF) expects any deficit, for meeting its liabilities under the provisions of these Regulations, in the State Deviation Pool Account, it may seek the approval of the Commission, by referring the matter, along with complete details, for transfer of appropriate amount from the PSDF to State Deviation Pool Account or any other appropriate directions.

Provided further that the SLDC shall submit half yearly returns to the Commission by 31st July and 31st January of each year indicating, in relation to the relevant half yearly period, the summary of

weekly transactions, the amount retained by it in the State Deviation Pool Account as per the first proviso to this Regulation and also the proposals for utilization of the PSDF:

Provided further that in case, in relation to a half yearly period, the difference (positive or negative) in the total amount billed by SLDC to the State Entities and the amount of bills received by SLDC from NRPC exceeds 5% of the total amount of bills so received, SLDC shall examine the prevalent deviation charges in detail and make suitable recommendations to the Commission, within two months of the expiry of the relevant half yearly period, for revision of the rates of deviation charges with an objective that such difference should be as close to 0% as possible.

14. **Power to Relax.**-The Commission may, by general or special order, for reasons to be recorded in writing, and after giving an opportunity of being heard to the parties likely to be affected by grant of relaxation, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person/stakeholder.
15. **Power to issue directions.**-If any difficulty arises in giving effect to these Regulations, the Commission may, on its own motion or on an application filed by any affected party, issue such directions as may be considered necessary in furtherance of the objective and purpose of these Regulations.
16. **Power to amend.**-The Commission may, at any time, vary, alter, modify or amend any provisions of these Regulations.
17. **Power to remove difficulties.**-If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.
18. **Overriding effect.**-The provisions of these Regulations shall have overriding effect notwithstanding anything inconsistent therewith contained in any other Regulations of the Commission, for the time being in force or in any instrument/detailed procedure having effect by virtue of any such Regulations.
19. **Repeal and Savings.**- (1) Save as otherwise provided in these Regulations, the Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2018 shall stand repealed from the date of commencement of these Regulations.
(2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any procedure, minutes, reports, confirmation or declaration of any instrument executed under the repealed regulations shall be deemed to have been done or taken under the relevant provisions of these Regulations.

(3) On commencement of these Regulations, 'the State Deviation Pool Account' as well as PSDF constituted under the repealed Regulations shall be continued under these Regulations and all amounts due to and from the said State Deviation Pool Account shall be deemed as being due to and from the State Pool Account under these Regulations.

By Order of the Commission,

**Sd/-
Secretary**