

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

“Draft Punjab State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024.”

EXPLANATORY MEMORANDUM

The clause (b) of sub-section (1) to Section 86 of the Electricity Act 2003 provides that the State Commission shall regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State. Accordingly, the Commission has framed Punjab State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations, 2012 for Power Purchase and Procurement Process of Licensee in the State.

The Central Government has issued the Electricity (Amendment) Rules, 2022 with amendment of the Electricity Rules, 2005. Rule 16(2) of Electricity (Amendment) Rules, 2022 specify that:

16. Resource Adequacy.— (1) *A guideline for assessment of resource adequacy during the generation planning stage (one year or beyond) as well as during the operational planning stage (up to one year) shall be issued by the Central Government in consultation with the Authority, within six months from the date of commencement of these rules.*

(2) *The State Commission shall frame regulations on resource adequacy, in accordance with the guidelines issued by the Central Government and the model Regulations framed by Forum of Regulators if any, the distribution licensees shall formulate the resource adequacy plan in accordance with these Regulations and seek approval of the Commission.*

(3) *The State Commission shall review the resource adequacy, for each of the distribution licensees, as per the time line given in resource adequacy guidelines issued by the Central Government.*

(4) *The State Commission may determine non-compliance charges for failure to comply with the resource adequacy target approved by the Commission.*

(5) *The National Load Dispatch Centre and the Regional Load Dispatch Centres shall carry out assessments of resource adequacy, for operational planning, at the national and regional levels respectively, on an annual basis, in accordance with the guidelines issued by the Central Government.*

(6) *The State Load Despatch Centre shall carry out assessments of resource adequacy, for operational planning, at the state level, in consultation with all the concerned*

stakeholders on an annual basis, in accordance with the guidelines issued by the Central Government and the directions of the State Commission.

(7) The State Load Despatch Centre shall review the operational resource adequacy on a daily, monthly and quarterly basis.

Further, Ministry of Power (MoP) has issued guidelines for Resource adequacy planning framework for India vide its letter dated 28.06.2023.

Forum of Regulators has also drafted the model Regulations on the Resource Adequacy Framework.

Keeping in view the Rule 16(2) of the Electricity (Amendment) Rules 2022, FOR Model Regulations and Ministry of Power guidelines, the Commission now intends to frame Punjab State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024 by repealing the existing Punjab State Electricity Regulatory Commission (Power Purchase and Procurement Process of Licensee) Regulations, 2012.

Draft Punjab State Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024 are enclosed as Annexure-A. The comments/suggestions/objections from all the stakeholders are solicited under Sub-section (3) of Section 181 of the Electricity Act, 2003 read with Rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005 on the draft regulations.