

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO 220-21, SECTOR – 34-A, CHANDIGARH

Petition No. 16 of 2013  
Date of Order: 01.06.2015

Present: Smt. Romila Dubey, Chairperson  
Er. Gurinder Jit Singh, Member

In the matter of: Petition regarding amendment in Open Access  
Regulation notified vide PSERC/Secy./Reg./57  
dated 01.07.2011.

AND

In the matter of: Punjab State Power Corporation Limited.

**ORDER:**

1. The present petition was filed by PSPCL regarding amendment in Open Access Regulations notified by Punjab State Electricity Regulatory Commission (Commission) vide No. PSERC/Secy./Reg./57 dated 01.07.2011. PSPCL submitted that Open Access (OA) Consumers are availing Open Access Power under Open Access Regulations notified vide PSERC/Secy./Reg./57 dated 01.07.2011. The consumers started availing power through Open Access with effect from the year 2009-10 and during that year no substantial impact was felt on the system because their number was less than 40. In the next financial year, their number increased exponentially and till date (of filing of petition) 326 consumers with a load of around 1375 MW have been granted facility of Open Access. Open Access consumers are increasing every day. At present, they are importing more than 750 MW in different time slots. This has resulted in poor availability/quality of power supply on account of

suddenness of application/withdrawal due to total absence of declaration of advance fixed schedule.

2. The consumers are buying power under Open Access from Power Exchange on day ahead basis. The Power Exchanges sell power on the basis of 15 minutes slots. The Open Access consumers buy power from the Power Exchanges in the time slots when the same is cheaper than the PSPCL power and they shift to PSPCL system when the power of Power Exchanges is costly. This is creating huge problems in system operation and planning.
3. PSPCL further submitted that problems are being faced by it due to erratic drawl behaviour of the consumers availing Open Access facility due to the reasons as brought out below:-
  - (a) The power scheduled by OA consumers through Open Access is varying constantly as per prevailing market rate and for their remaining requirement, they draw power from PSPCL system. Thus, the power requirement from PSPCL system is also varying unpredictably.
  - (b) The total availability of Open Access power arranged by the Open Access consumers for the succeeding day is known at 5 PM only. By that time, PSPCL has no option available for arranging the excess power or surrendering the surplus power.
  - (c) In such scenarios, the costly power is dumped during high frequency regime at very low rate and during low frequency regime, there are unscheduled power cuts as the Open Access load shifts to PSPCL system due to the market rates being high. This gaming needs to be curtailed.

- (d) PSPCL is supposed to act as a standby supplier for the OA consumers. To absorb these variations in load, PSPCL must have an equal quantum of spinning reserve. But there is no spinning reserve available and PSPCL is not a power surplus State as yet.
  - (e) The sudden variation in drawl by OA consumers from PSPCL adversely affects the quality of power to other consumers.
  - (f) Open Access consumers are major contributors of cross subsidy for rationalization of subsidized tariffs. Reduction in power off take by Open Access Consumers from PSPCL power pool affects adversely to the subsidized tariff for other categories.
  - (g) It is a fact that the Open Access consumers are purchasing power as per the market conditions. They procure power from Power Exchanges on hourly basis after watching the price trend. Maximum power is procured during night hours and minimum during evening peak times. This varying schedule during day renders the balancing of demand and availability very difficult.
4. PSPCL further submitted in its Petition that the above difficulties were brought to the notice of the Commission. The Commission revised its Open Access regulations and brought some major changes in the Cross Subsidy Surcharge and Transmission & Wheeling Charges. These changes in the Open Access Regulations were able to control the fluctuations during the time when the rates of power in the Power Exchange are high. But during the current winter season again, it was observed that the Power Exchange rates during night hours and during certain slots during the day were low and schedule of Open Access

consumers was varying. It was observed that during night time, the power scheduled under Open Access was more than 750 MW which was reduced to less than 50 MW and it goes on varying during the day.

5. PSPCL submitted that it is not possible to manage the system efficiently with such a continuously varying schedule. The only solution lies with that the Open Access consumers bring-in uniform quantum of power under Open Access. This provision is required to be incorporated in the Open Access regulations. In Gujarat, the Open Access consumers submit a undertaking to the effect that the quantum of power to be procured through Open Access will be uniform throughout the day or the drawl of Open Access consumer from the distribution licensee during the time blocks, when there is no schedule under Open Access, shall not be more then the time blocks, when power is scheduled from any other source under Open Access. Gujarat State Electricity Regulatory Commission has upheld obtaining of this undertaking from Open Access consumers by the distribution utilities as per its decision dated 16.08.2012 against suo-moto petition no.1226 of 2012.
6. PSPCL has submitted that a similar clause is required to be introduced in the Open Access regulations notified vide PSERC/Secy./Reg./57 dated 01.07.2011, so that the impact of varying schedule of Open Access consumers may be minimized. PSPCL has prayed to add the following clause in the Open Access regulations, Chapter-6, clause 28 (3)-new clause, for collective transaction:

*“that the quantum of power to be procured through Open Access will be uniform throughout the day or the drawl of*

*Open Access consumer from the distribution licensee during the time blocks when there is no schedule under Open Access shall not be more than the time-blocks when power is scheduled from any other source under Open Access”.*

7. The petition was admitted vide Commission's order dated 15.03.2013 and PSPCL was directed to submit in annotated form the existing as well as proposed amended clause of the Open Access Regulations, by 18.04.2013. PSPCL was further directed to furnish information in respect of other Commissions where such provisions are existing. The various Open Access charges leviable to Open Access consumers as specified by such Commissions was also to be supplied. The next date of hearing was fixed as 23.04.2013.
8. PSPCL failed to submit the information asked for vide Commission's order dated 15.03.2013. PSPCL was directed to submit the information by 21.05.2013 vide Commission's Order dated 25.04.2013.
9. PSPCL submitted the information vide CE/ARR&TR memo no. 5721 dated 23.05.2013. PSPCL intimated that in Haryana, Open Access Consumers who want to purchase power in Open Access has to submit the confirmed schedule of power to be purchased in MWs through Open Access for the next day, to the respective ALDC by 10:00 AM of previous day. In Gujarat, the Open Access Consumers submit a undertaking to the effect that the quantum of power to be procured through Open Access will be uniform throughout the day or the drawl of Open Access Consumer from the distribution licensee during the time blocks when there is no schedule under Open Access shall not be more than the time

blocks when power is scheduled from any other source under Open Access. Gujarat State Electricity Regulatory Commission has upheld obtaining of this undertaking from Open Access Consumers by the distribution utilities as per its decision dated 16.08.2012 against suo-moto petition no. 1226 of 2012. PSPCL further intimated the details of various Open Access Charges levied by the States of Punjab, Haryana, Gujarat and MP.

10. From the information supplied by PSPCL, the Commission observed that only in two States some instructions have been issued to cope up with the load variation/fluctuation of the transmission/distribution system due to purchase of power by Open Access consumers. The Commission in its order dated 29.05.2013 directed PSPCL to collect and submit to the Commission, the action taken by other States across India, to cope up with the load variation/fluctuation due to purchase of power by Open Access customers. PSPCL was further directed to submit number of Open Access customers and the quantum of power purchase (in MW & MU) by Open Access customers in various States. PSPCL was also directed to study the impact of instructions issued by Haryana Vidyut Prasaran Nigam Limited (HVPNL) vide its letter dated 04.02.2013 and GERC order dated 16.08.2012 on purchase of power through Open Access and submit the same to the Commission in terms of number of Open Access customers and purchase of power under Open Access (in MW & MU), before and after issue of instructions by HVPNL and order of GERC and whether the desired objectives have been achieved. PSPCL was also ordered to indicate the reasons for high Open Access in Punjab despite levy of increased Open Access charges and compare these charges and quantum of

Open Access power drawn in other States of India. PSPCL was to supply the information by 23.07.2013.

11. PSPCL vide its letter no. 6033 dated 29.07.2013 submitted that the information involved collection of huge data and it was in the process of collecting the same from other utilities of India. PSPCL prayed for grant of extension in time by one month to file the information. PSPCL was directed to file the same by 30.08.2013, vide Commission's order dated 05.08.2013. PSPCL vide its letter no. 6177 dated 29.08.2013 submitted that it was still in the process of collecting data from other utilities in India and prayed for grant of one month time to file the information. The next date of hearing was fixed on 05.11.2013, vide Commission's order dated 05.09.2013.
12. PSPCL filed the information in compliance to the Commission's order dated 05.08.2013, vide its memo no. 6887 dated 01.11.2013. The next date of hearing was fixed as 03.12.2013, vide Commission's order dated 05.11.2013.
13. The Commission, in its order dated 05.12.2013, observed that HERC has passed an order dated 20.11.2013 in petition dated 09.11.2012 filed by Dakshin Haryana Bijli Vitran Nigam under HERC (Terms and Conditions for grant of connectivity and Open Access for intra-state Transmission and Distribution System) Regulations, 2012 seeking amendments in the regulations for preventing financial loss being incurred by the Nigam (DHBVN). Further, HERC has also disposed off three other petitions filed by industrial consumers vide this order. During the hearing of petition on 03.12.2013, a copy of this order was handed over to PSPCL. PSPCL was also directed to examine this order and offer its comments and propose if any specific change in the

regulations is required to be made or not. PSPCL was directed to file the proposed amendments in annotated form specifying the existing provisions, proposed provisions and comments/justification in amendments in the existing provisions of PSERC (Terms and Conditions for intra-state Open Access) Regulations, 2011, by 14.01.2014. The next date of hearing was fixed as 21.01.2014.

14. PSPCL filed the proposed amendments in annotated form vide Chief Engineer/ARR&TR memo no. 5037 dated 13.01.2014. In the hearing on 21.01.2014, the next date of hearing was fixed as 25.02.2014.
15. During hearing of the petition on 25.02.2014, PSPCL submitted that it intends to modify the proposed amendments filed by CE/ARR & TR vide memo no. 5037 dated 13.01.2014. PSPCL was directed to file the same by 03.03.2014, vide Commission's order dated 26.02.2014. The next date of hearing was fixed as 04.03.2014.
16. PSPCL failed to file modified submissions by the due date and was again directed to file the same in annotated form by 14.03.2014, vide Commission's order dated 04.03.2014.
17. PSPCL filed modified submissions vide CE/ARR & TR letter no. 5204 dated 13.03.2014 in compliance to orders of the Commission dated 26.02.2014 and 04.03.2014. PSPCL, in additional submissions, amended the earlier submitted request regarding the proposed amendments in the Open Access regulations and added new clause 28(3) as under:

*“The quantum of drawl of electricity by an Open Access consumer from the distribution licensee during any time block of a day shall not exceed the drawl of*



*electricity by the Open Access consumer from the distribution licensee in such time block wherein the schedule for Open Access drawl is the maximum.”*

18. The Commission in its order dated 19.03.2014 observed that PSPCL has filed additional submissions, and ordered that the next date of hearing will be intimated to PSPCL, if required, after examining the additional submissions made by PSPCL.
19. A staff paper was prepared and put on the website of the Commission. A public notice was issued for inviting objections/comments from the public and other stakeholders on this petition filed by PSPCL for amendment to PSERC (Terms and Conditions for intra-state Open Access) Regulations, 2011. The last date for filing the objections/comments was fixed for 22.04.2014 and public hearing was also fixed for 07.05.2014.
20. Objections from the following 11 No. objectors/stakeholders were received:
  - i) General Manager (Electrical), Khanna Paper Mills Limited, Fatehgarh Churian Road, Amritsar.
  - ii) Sh. M.P.S. Rana, General Manager (Materials & HR), Punjab Alkalies & Chemicals Limited, SCO 125-127, Sector 17-B, Post Box No. 152, Chandigarh.
  - iii) Sh. Rajesh Mediratta, Director (Business Development), Indian Energy Exchange Ltd., Corporate office, 100A/1 Ground Floor, Capital Court, Olof Palme Marg, Munirka, New Delhi.
  - iv) Asstt. Director/Electrical, Lovely International Trust, Jalandhar-Delhi GT Road (NH-1), Phagwara. Punjab.
  - v) Sh. Dalip Sharma, Director, PHD Chamber of Commerce and Industry, PHD House, Sector 31-A, Chandigarh.
  - vi) Sh. H.N. Singhal, President (CORP, HR & ADMN.), Nahar Industrial Enterprises Ltd, Focal Point, Ludhiana.
  - vii) Director, HANSCO Iron & Steels Pvt. Ltd., Jalalpur Chowk, Amloh Road, Mandi Gobindgarh.

- viii) Sh. Gaurav Nand, Authorised Signatory Open Access Users Association, A-49, 2<sup>nd</sup> Fl, Sector-8, Dwarka, New Delhi.
- ix) Sh. Sumanpreet Singh, Confederation of Indian Industry Northern Region, Block No. 3, Dakshin Marg, Sector 31-A, Chandigarh.
- x) Sh. Surinder Nath Karnail, Authorised Signatory, Siel Chemical Complex, A Unit of Mawana Sugars Limited (Formerly known as Siel Limited) Charatrapur, Village Khadauli/Sardargarh, Post Box No. 52, Rajpura, Distt.Patiala.
- xi) Sh. Rajesh Mediratta, Director (Business Development), Indian Energy Exchange Ltd., Corporate office, 100A/1 Ground Floor, Capital Court, Olof Palme Marg, Munirka, New Delhi.

PSPCL vide its letter dated 19.05.2014 submitted the comments on some of the objections raised by the objectors. It was observed by the Commission that the comments in respect of objection nos. 3, 4 and 9 have not been submitted by PSPCL and comments in respect of objection nos. 2,5,6,7,8 and 10 were incomplete and required elaboration. PSPCL was asked by the Commission vide letter dated 18.06.2014 to submit again the complete comments on various issues raised in different objections. PSPCL submitted its comments vide memo no. 5857 dated 18.07.2014 in respect of objection nos. 3,4 and 9. As PSPCL failed to submit the comments in respect of objection nos. 2,5,6,7,8 and 10, the Commission again directed PSPCL vide its letter dated 13.08.2014 to supply the comments in consolidated form in respect of the objections (1 to 11). But no further reply has been received from PSPCL.

- 21. The objections/comments raised by the various objectors, relevant to the issue, are summarized as under:
  - i. The present petition was admitted on 15.03.2013 and remained under discussion with PSPCL for more than a year

and the facts and figures of the Petition have altogether changed but these have not been taken into consideration.

- ii. The proposed amendment would kill the Open Access completely. It is completely impractical for the Open Access consumers who are embedded consumers of PSPCL to avail Open Access under the proposed amendment. How can an embedded consumer anticipate the drawl from PSPCL in a time block (when its Open Access power is maximum, which may be in any of the 96 time blocks or may be in last 10 time blocks) in advance at the start of the day and keep its drawl restricted to such quantum in balance 95 time blocks, some preceding and balance succeeding the such time block.
- iii. If there is break down of factory machinery or mal-operation of electrical system in any one time block and there is no drawl at all in that time block, then consumer will end up paying UI charges for the drawl from PSPCL for whole of the day, in spite of bonafide consumer of PSPCL, and PSPCL having obligation to supply electricity under Electricity Act, 2003.
- iv. Under the proposed amendment, the consumers having Captive or Group Captive Power Plants and wishing to transfer its power through Open Access for meeting part of the load will not be able to transfer the power for fear of violations & resultant penalties and will be deprived of their right to transfer such power under Electricity Act, 2003. Similar will be the fate of consumers wishing to avail power through bilateral agreements under Open Access.
- v. The number of consumers from 326 with connected load of 1375 MW has come down considerably to around 50 and

power flow has reduced to around 100 to 150 MW, as most of the consumers have not renewed the Annual Agreements due to non-viability. These present figures need to be ascertained from PSPCL. PSPCL may also explain as to how this mere 100-150 MW power under Open Access against the total consumption of 5000 to 10000 MW will endanger the safety of grid or scheduling problems.

- vi. The statement of PSPCL in para 3(c) of the petition is not correct as there was no incentive for dumping power with PSPCL on high frequency grid conditions and the same situation prevailed thereafter. The refund for not utilizing power is only 40 to 60 paise per unit, whereas procurement cost is around ₹6 per unit. Further, with new Deviation Settlement Mechanism conveyed by SLDC Punjab, even this refund will be further curtailed to around 25 paise per unit.
- vii. As per para 3(d) of the Petition, PSPCL claimed that power is not surplus. This may be true at the time of filing the Petition, but not now, when IPPs have come up in Punjab.
- viii. Nahar Industrial Enterprise Ltd., Hansco Iron & Steel Pvt. Ltd. and IEX Ltd. in their objections/comments have suggested that the amendment as proposed in the Petition as per Gujarat Model may be accepted. It will ensure that the power brought in by Open Access consumers will be a constant volume for the day and PSPCL will then be able to regulate the grid in a more efficient manner. The proposal will allow the Open Access transfer of power from Captive Generating Plants and under bilateral agreements which shall not be possible under the proposed amendment. IEX has also submitted that even PSPCL had proposed amendment in its

initial Petition in line with provisions in Gujarat. It has been suggested by IEX Ltd. that same provisions may be adopted.

- ix. The claim of PSPCL regarding variation in schedule during the day and resultant difficulty in smooth grid operation may be acceptable to some extent but the amendment proposed does not solve the problem as variation in the schedules is still not addressed.
- x. There is no provision in CERC Open Access regulations that puts restrictions of any kind in the drawl schedule of the Open Access consumers. The only requirement is that the schedule has to be within the approved limits of Open Access permission.
- xi. As an alternative, practice being followed in Haryana and Uttarakhand, where an Open Access Consumer is required to declare his Open Access schedule by 10 AM, may be adopted. Similar practice is being followed by Rajasthan also. All State Commissions are framing the Intrastate Open Access regulations without any specific power/function entrusted to the same. The State Commissions are required to determine only the wheeling charges and the surcharge thereon, meaning thereby that it is only the commercial mechanism by way of which the State can regulate the grid and not by way of altering the drawl or consumption pattern of its consumers including that of Open Access consumers.
- xii. Currently, long term PPAs of PSPCL are more than their demand during most of the time. So, PSPCL is not required to buy power in short term and for scheduling long term power, the schedule can be revised with notice of 6 time blocks (1.5 hours). Therefore, there is no time limit as on date for change

in schedule. PSPCL can manage these variations as they know next day's schedule of Open Access consumers 7 hrs before the delivery starts at 00.00 hrs. If PSPCL wants to further manage its power requirements, then PSPCL may ask for schedule from Open Access consumers by 10.00/12.00 hrs or as may be decided by the Commission so as to enable PSPCL to arrange/surrender power for the next day. Similar practice is being followed in Haryana also.

- xiii. The argument of PSPCL that reduction in power off take by OA consumers from PSPCL power pool affects adversely to the subsidized tariff for other categories is not justified as cross subsidy surcharge as determined by PSERC is being paid to PSPCL.
  - xiv. Addition of a new clause 28 (3) is quite detrimental to the interest of Open Access Consumers as it would restrict their drawl from Distribution Licensee during the remaining 15 minute 95 Time Blocks of the day because when the schedule for Open Access drawl is maximum in any Time Block of 15 minutes, the drawl from the Distribution Licensee will be the minimum and that minimum shall have to be maintained by the consumer throughout the remaining 95 slots of the day, which is not possible. Proposed amendment by PSPCL should not be approved by the Commission.
22. PSPCL submitted its comments/reply to some of the objections as under:-
- i. The Petition was submitted on 06.03.2013. The Commission asked for various submissions. The amendment "the quantum of drawl of electricity by an Open Access consumer from the distribution licensee during any time block of a day shall not

exceed the drawl of electricity by an Open Access consumer from the distribution licensee in such time wherein the schedule for Open Access drawl is the maximum” was proposed as the Gujarat model was not observed to be practically applicable.

- ii. It is not the endeavor of the PSPCL to discourage the Open Access. There are already 412 Open Access consumers. Constantly varying schedule by Open Access consumers has rendered the system operation very difficult. This problem is faced by other states also where there is Open Access. PSPCL’s intention is only to streamline the drawl by Open Access consumers as PSPCL does not have any spinning reserves which can be used to cater the wide fluctuations due to the Open Access Power sourced by the consumers.
- iii. Embedded consumers can anticipate the drawl from PSPCL by properly planning their bid in the Exchange.
- iv. The impact of proposed amendment will be only to the consumers who will be drawing power through Exchanges. The consumer drawing power through bilateral agreements will have no impact.
- v. On occasions, Open Access do increase to 500 to 700 MW in a day resulting in more than 100 LU of Power even after enactment of Open Access Regulations, 2011.
- vi. The rates are only hypothetical. Any drawl of unscheduled power makes the system planning difficult.
- vii. Though Punjab being a power surplus state, but there is no hot spinning reserves to cater to the wide fluctuations due to Open Access Power sourced by the consumers.

- viii. GERC order is silent on the aspect that the period when there is no drawl, then whether it should be maximum drawl or minimum drawl during the period when there is Open Access. Due to this reason, the necessity for amendment to the earlier Petition was felt.
  - ix. The next date bidding has to be submitted by 11.30 hrs of the day and it is not possible to arrange the deficit power, if any, during later half of the day.
  - x. Open Access Consumers can anticipate the drawl from PSPCL by properly planning their bid in the Exchange and the problems raised in the objections will not exist if the Open Access consumers make bilateral agreements for their requirement.
23. The Commission in its order dated 04.09.2014 observed that in the Tariff Order for FY 2014-15, it has approved various measures to encourage consumption of more power, such as introduction of ToD tariff for Large Supply and Medium Supply industrial categories and rebate for consuming power more than the threshold limit, and the effect of these measures was required to be watched for some time. The Commission, accordingly decided that the matter regarding amendment in the Open Access Regulations as prayed by PSPCL will be considered in the middle of November, 2014. PSPCL was directed to collect the data regarding Open Access in the State of Haryana in the meantime, and submit the same to the Commission by 17.11.2014. PSPCL was asked vide Commission's letter no. 12435 dated 10.11.2014 for submitting the data regarding introduction of ToD tariff for Large Supply and Medium Supply industrial categories and rebate for consuming power more than



threshold limit and also the data regarding Open Access in the State of Haryana.

24. PSPCL vide letter no. 5453 dated 18.11.2014 submitted that ToD tariff has been introduced in PSPCL with effect from 01.10.2014 only and as such, it was in earlier stages of implementation. The real impact of ToD tariff viz-a-viz the Open Access power can only be judged over a long period of time. PSPCL submitted the data collected from HVPNL Panchkula for its comparison, after and before the implementation of HERC order dated 20.11.2013. From the data in respect of Haryana, PSPCL observed and commented that even after the implementation of HERC order dated 20.11.2013, the number of Open Access consumers has increased over a period of time.
25. The Commission vide its letter dated 22.12.2014 directed PSPCL to intimate to the Commission, the effect of ToD tariff for Large Supply and Medium Supply industrial consumers on the quantum of power purchased through Open Access as more than two and half months have elapsed since ToD tariff has been introduced in the State. PSPCL was also requested to submit the comments regarding problems in system operation and planning as a result of power purchase by Open Access consumers in the current year.
26. PSPCL vide its letter no. 5026 dated 08.01.2015 submitted that the quantitative impact of introduction of ToD tariff falls within the purview of Commercial Wing of PSPCL and can only be assessed after the system remains applicable for a long period of time. PSPCL submitted the data for some days after the implementation of ToD tariff regarding the Open Access power purchased and submitted that the schedule of power imported by

the Open Access Consumers during the day time, 15 minute time blocks remains uneven and is causing difficulty in managing the system even after the implementation of ToD tariff.

27. PSPCL vide its letter no. 5754 dated 18.05.2015 again brought out the problems being faced due to varying quantum of power purchase by open access consumers during different time slots of the day. PSPCL has submitted that irregular availability of open access power results in abrupt changes in the availability of PSPCL's schedule for which immediate corrective action is just not possible due to limitations of the response time of the system resulting into unnecessary and undesirable load shedding, which needs to be avoided at all costs in order to ensure quality service to the consumers. PSPCL has further submitted that the alternate available to have spinning reserves for the quantum of power equal to the quantum of open access power, has huge financial implications, which cannot be exercised being financially as well as operationally unviable.

PSPCL has further submitted that these open access consumers have a quantum in the range of 500 to 700 MW, which pose a huge challenge in the regulation of load since technically speaking, generating plants have their own capabilities of ramp-up and ramp-down and any such like frequent changes may prove very damaging and affects their life span also. Hence, PSPCL is being supposed to act as a standby supplier for the open access consumers, who are availing the best of both worlds by availing power at any given point of time from a source, which is cheaper to them i.e. either open access or PSPCL.

In view of the difficulties being experienced by PSPCL as brought out in its letter dated 18.05.2015 and briefly discussed above,

PSPCL has prayed that the procedure for Open Access consumers needs to be rationalised in the larger interest of Grid Stabilisation and all the consumers of PSPCL in such a way that the load sought by consumers under open access should be availed by them for a certain fixed quantum for a certain minimum period of time e.g. 5-6 hours, so as to enable the utility to tune up its system accordingly.

28. The Commission observed that the prayer made by PSPCL in its letter dated 18.05.2015 did not match with its proposal for amendment in the Open Access Regulations made by it during the processing of the Petition. As such, the Commission asked PSPCL vide letter dated 20.05.2015 to submit its comments on its latest submissions made in its letter dated 18.05.2015 viz-a-viz the proposal of PSPCL as made in the Petition.

29. PSPCL in its letter no. 5849 dated 28.05.2015 has submitted as under: -

*“(i) The submissions made by PSPCL was aimed at to bring it to the kind notice of PSEERC regarding the urgency of PSPCL for amendment in Open Access Regulations as requested vide Petition No. 16/2013.*

*“(ii) The submissions in the last para were also aimed at to brought out the effect of random open access power and it was only to pray that the procedure for open access consumers needs to be rationalised in the larger interest of Grid Stabilisation and all the consumers of PSPCL. The part of the sentence “in such a way that the load sought by consumers under open access should be availed by them for a certain fixed quantum for a certain minimum period of time e.g. 5-6 hours, so as to enable the utility to the tune up*

*its system accordingly” has been inadvertently added to give some elaboration & it has been rightly pointed out by PSERC that the same has interpretation which does not match with the proposal for amendment in Open Access Regulations submitted in Petition No. 16/2013. Accordingly, PSPCL requested that the part of the sentence may kindly be considered deleted from record and may not be given any cognizance.*

*In view of above, it is again reiterated and requested that PSPCL stand remains same as that of Petition No. 16/2013 and it is therefore again requested that the amendment in Open Access Regulations as requested vide Petition No. 16/2013 may kindly be allowed, please.”*

30. In view of the above, the Commission observes and decides as under:-

As brought out by the petitioner (PSPCL) in its petition, the sudden variation in drawl by the open access consumers in various time slots of the day certainly affects the quality of power supply to other consumers. It is not practically possible for the petitioner (PSPCL) to manage the system efficiently in such load varying situations. The varying load of open access consumers on the system of PSPCL during different time slots of the day may prove damaging to the generating plants of PSPCL and affect their life span. Further, the varying load of open access consumers also increases the per unit generation cost, which leads to increase in tariff of various categories of consumers. The problems being faced by PSPCL on sudden variation in drawl of power by open access consumers are genuine. As brought out by PSPCL in its petition, it is a fact that open access consumers

are purchasing power as per market conditions. They procure power from the Power Exchanges after watching price trend. Maximum power is purchased by them during night hours & during day hours also when it is cheaper than PSPCL's power and minimum during evening peak times when it is expensive than PSPCL's power. This varying schedule during a day renders the balancing of demand and availability very difficult for the petitioner due to non-availability of sufficient spinning reserve in Punjab system, and to have spinning reserve for the quantum of power equal to the quantum of open access power has huge financial implications and is financially as well as operationally unviable, as brought out by PSPCL in its submissions. Further, sometimes PSPCL has to resort to unscheduled power cuts when these open access consumers shift their load to PSPCL's system due to market rates being high. Many a times, PSPCL has to dump costly power during high frequency regime at a very low rate when these Open Access consumers arrange their power from the Power Exchanges. PSPCL has rightly submitted that it is acting as a standby supplier for the open access consumers, who are availing the best of both worlds by availing power at any given point of time from a source, which is cheaper to them i.e. either through open access or from PSPCL. The Commission agrees with various reasons put in by the petitioner (PSPCL) in its petition, bringing out various problems faced by it due to erratic drawl behaviour of the Open Access facility, as brought out under paras 3 & 27 above. Therefore, in view of the problems being faced by PSPCL in managing the system due to sudden variation in drawl of power by open access consumers from the Power Exchanges, and keeping in view the interests of

the consumers, the Commission decides to incorporate a new sub-clause as proposed by PSPCL, however, with some minor modification, in the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011, as brought out below:

*“28(3)The quantum of drawl of electricity by an Open Access Consumer from the distribution licensee during any time block of a day shall not exceed the admissible drawl of electricity by the Open Access Consumer from the distribution licensee in such time block wherein the schedule for Open Access drawl is the maximum.”*

The following example illustrates the above provision ordered to be incorporated in the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011: -

Example: If an open access consumer with a contract demand of 10 MVA has scheduled 8 MVA, 5 MVA and 2 MVA power through open access in different time blocks of the day, say 2-3 hours, 9-11 hours and 18-22 hours respectively, then the entitlement of open access customer during time blocks when there is no schedule or less schedule of power than maximum scheduled power under open access, shall be 2 MVA from the distribution licensee, for that day.

The notification regarding the above amendment will be issued separately.

The petition is disposed of accordingly.

Sd/-  
**(Gurinder Jit Singh)**  
Member

Sd/-  
**(Romila Dubey)**  
Chairperson

Chandigarh  
Dated: 01.06.2015