

Subject: Staff Paper on proposed amendments in Punjab State Electricity Regulatory Commission (Harnessing of Captive Power Generation) Regulations, 2009.

1. In exercise of the powers conferred under Section 181 of the Electricity Act 2003 (36 of 2003) and all the other powers enabling the Commission in this behalf, the Punjab State Electricity Regulatory Commission notified the Regulations for harnessing captive power generation vide notification dated December 16, 2009.
2. The Commission introduced Two Part Tariff structure in the State w.e.f. 1st January, 2018. During the processing of ARR of PSPCL for FY 2018-19, various consumers of PSPCL having Captive Power Plants (CPP consumers) in their objections/ suggestions submitted to the Commission in reference to PSPCL's ARR Petition had submitted that these plants have been setup under the policies of MoP/MNRE/GoP and use PSPCL supply only as standby supply. With liability of Fixed Charges, they would not be able to compete in the market and requested to allow them to maintain Sanctioned Contract Demand (CD) as per the requirement, on payment of nominal commitment charges. It was also suggested that either the existing single part tariff be continued for them or else the Regulations applicable for such CPPs in Maharashtra and Madhya Pradesh be implemented in Punjab. A petition to this effect was also filed by the consumers before the Commission.
3. As the provisions of existing Regulations permit standby and startup power only upto 15% of the rated capacity of the CPP, these units have to contract 100% demand with the distribution utility to tide over unforeseen outages of the CPP. Thus, to segregate the provisions for startup power and standby demand and also to make provision for standby power upto the total rated capacity of all the generating units of the CPP in case of any outage of the CPPs, it is proposed to amend the following provisions of the Punjab State Electricity Regulatory Commission (Harnessing of Captive Power Generation) Regulations, 2009. The statement depicting existing provisions vis-à-vis proposed provisions is as under:

Regu. No.	Existing Provision	Proposed Provision
2(k)	“Standby and Startup Power” means the power required by a CPP during pre-commissioning or planned/forced outages.	(i) “ Standby Demand ” shall mean maximum demand in kVA contracted by a CPP under Standby support agreement with the Distribution Licensee of his area of supply; (ii) “ Standby support ” shall mean the contractual arrangement between the CPP and the Distribution Licensee of his area of supply to provide power in case of planned or forced outage of the CPP;

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		<p>(iii) “Startup Demand” shall mean maximum demand in kVA contracted by a CPP under startup power agreement with the Distribution Licensee of his area of supply;</p> <p>(iv) “Startup Power” shall mean the contractual arrangement between the CPP and the Distribution Licensee of his area of supply to provide power in case of startup, at the pre-commissioning stage or after a planned/ forced outage;</p>
3(7)	<p>A CPP which is a consumer of the Licensee and an Open Access customer purchasing electricity from a CPP will be eligible to reduce their Contract Demand as per Conditions of Supply of the Licensee as approved by the Commission.</p>	<p>A CPP which is a consumer of the Licensee and an Open Access customer purchasing electricity from a CPP will be eligible to reduce its Contract Demand as per provisions of the Supply Code Regulations.</p>
4	<p>Standby and Startup Power</p> <p>(1) A CPP which is also a consumer of the Licensee will:</p> <p>(a) ensure that his maximum demand does not exceed the sanctioned Contract Demand;</p> <p>(b) be liable to pay demand surcharge if maximum demand exceeds sanctioned Contract Demand in any month. The surcharge will be as applicable to Large Supply (LS) consumers in such cases.</p>	<p>4.0 Startup Power / Standby Support</p> <p>4.0.1 The Startup Power/Standby Support shall be provided by the distribution licensee of his area of supply, to the CPPs who do not have arrangement for availing supply from a source other than the Distribution Licensee and own captive generation, subject to load shedding as is applicable to similar category of embedded consumers of the licensee.</p> <p>Provided that CPP has to enter into an agreement with the distribution licensee for such demand.</p> <p>4.0.2 Wherever an agreement for Startup Power/Standby Support exists between a CPP and the Licensee of his area of supply, the CPP shall be required to pay to the Licensee a charge equal to Rs. 35 per kVA per month (or part thereof) or as may be decided by the Commission from time to time, towards commitment charges on the capacity (in kVA) contracted as Startup Power/Standby Support from the Distribution Licensee.</p> <p>Provided that the charges referred to above shall apply uniformly every month commencing from the date of applicability of the agreement, irrespective of whether the CPP avails Startup Power/Standby Support or not.</p> <p>4.0.3 Startup Power/Standby Support shall be made available at 11 kV or higher Voltage as specified in the Supply Code Regulations. Voltage surcharge/ rebate, FCA and ToD etc. shall be levied/allowed as applicable to the consumers of respective category.</p> <p>Provided that, CPP who is not a consumer of the licensee</p>

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		<p>shall have to establish, operate and maintain the required interconnecting infrastructure at his cost.</p> <p>4.0.4 The Distribution Licensee shall prepare a model agreement and the guidelines /procedure within one (1) month of notification of these regulations and shall take Commission's approval for the same. Existing CPPs requiring Startup Power/Standby Support shall be required to execute the supplementary agreement within one (1) month of approval of the model agreement by the Commission.</p>
	<p>(2) A CPP which is not a consumer of the Licensee but seeks to avail of Standby and Startup Power will be governed by the following terms & conditions:-</p> <p>(a) Electricity for Standby and Startup will be provided by the Licensee only during startup at the commissioning stage or during planned/ forced outages. Such supply will not exceed 15% of the rated capacity of the CPP.</p> <p>(b) The tariff for Standby and Startup Power will be as is applicable to LS (General Industry) consumers.</p> <p>(c) When the maximum demand of a CPP in a month exceeds the agreed requirement, it will be liable to pay penalty on the excess demand</p>	<p>4.1 Startup Power</p> <p>4.1.1 Maximum demand that can be contracted under Startup power shall not exceed 15% of the rated capacity of the unit with highest rating in the power plant.</p> <p>In case, the recorded drawl of CPP exceeds its contracted startup demand, it shall be liable to pay demand surcharge as specified in the Schedule of Tariff for Startup Power.</p> <p>4.1.2 In addition to the commitment charges, the CPP shall also be required to bear charges, for the actual drawl of Startup power, as specified in the Schedule of Tariff for Startup Power.</p>
		<p>4.2 Standby Support</p> <p>4.2.1 Standby Support shall be provided to the CPP by the distribution licensee of his area of supply, for a maximum period of 42 days in a financial year. Provided that, the maximum demand that can be contracted under Standby Support cannot be more than the total rated capacity of all the generating units of the CPP.</p> <p>In case, the recorded drawl of CPP exceeds the total of its contracted Standby demand and Sanctioned CD (if any) or if the standby support is availed for more than 42 days in a financial year, as the case may be, it shall be liable to pay demand surcharge as specified in the Schedule of Tariff for temporary supply to the respective category.</p> <p>4.2.2 In addition to the commitment charges, the CPP shall also be required to bear charges, for the actual drawl of Standby power, as specified in the Schedule of Tariff for temporary supply to the respective category, corresponding to the tariff slab of total of contracted Standby Demand and Sanctioned CD (if any).</p> <p>4.2.3 The fixed charges and energy charges for actual drawal of standby power shall be computed as under:</p> <p>a) CPP who is not a consumer of the distribution licensee:</p> <p>i) Fixed charges on daily basis shall be levied on the</p>

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	<p>equivalent to demand surcharge as applicable to LS consumers.</p> <p>(d) A CPP seeking Standby and Startup Power will pay @ Rs 20/- per KVA per month as commitment charges to be adjusted against the bill for electricity drawal.</p> <p>(e) The CPP and the Licensee will sign an agreement for meeting the requirement of Standby and Startup Power incorporating the above terms & conditions.</p>	<p>maximum demand recorded in any time block during the Standby period, and</p> <p>ii) Energy charges shall be levied on the total energy consumed during the Standby period.</p> <p>b) CPP who is also a consumer of the distribution licensee:</p> <p>For the maximum demand recorded upto the limit of its Sanctioned CD, the CPP shall be billed as a normal consumer of the respective category.</p> <p>In case, the maximum demand recorded in any time block during the Standby period is in excess of its Sanctioned CD and upto the total of Sanctioned CD and contracted Standby Demand:</p> <p>i) Fixed charges shall be levied on daily basis, on the demand recorded in excess of its Contract demand, and</p> <p>ii) Energy charges shall be levied on the energy consumption corresponding to the Standby Demand recorded during the Standby Support i.e. the energy consumption in proportion of the actual standby demand recorded (demand in excess of Sanctioned CD) to the total demand recorded during the period of standby support.</p>
5(6)	Monthly Minimum Charges (MMC)	Proposed to be deleted.