

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION  
PANCHKULA, HARYANA**

**Case No. HERC/P. No. 03 of 2025**

**Date of Hearing : 18/02/2025**

**Date of Order : 27/05/2025**

**IN THE MATTER OF:**

**Discussion Paper for inviting comment/objections from stakeholders/general public for finalization of revised draft Haryana Regulatory Commission Deviation Settlement Mechanism and related matters Regulations, 2025 (DSM Regulations).**

**QUORUM**

**Shri Nand Lal Sharma, Chairman  
Shri Mukesh Garg, Member**

**The following were Present On behalf of the Stake holder/General Public**

1. Ms. Sonia Madan, Advocate for HVPN & HPGCL
2. Sh. Lovepreet Singh, Advocate
3. Sh. Nitesh Jhahria, Advocate for Unitech
4. Sh. Pankaj, Kumar, Sr. Manager, HEXA Sun Energy and HEXA Renewable
5. Sh Ashu Gupta, Vice President, Cleanmax Enviro Energy
6. Ms. Vidisha Dubey, General Manager, DISPA
7. Sh. M.S. Randhawa, Director, Jiotech Power Pvt Ltd.

**Present from Power Utilities**

1. Sh. Shiv Kumar, SE/Commercial, HVPNL
2. Sh. Deepak Kumar, SE/SO, UHBVNL
3. Ms. Seema Sidhana XEN, HPPC
4. Sh. Neeraj Hooda, XEN, HVPNL
5. Sh. Randhir Singh, AEE, UHBVNL
6. Sh. Sunny, AEE, HVPNL
7. Sh. Sanjeet Kumar, SDO, UHBVNL

**ORDER**

**1. Background and Statement of Objects:**

- 1.1 The Haryana Electricity Regulatory Commission notified the HERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2019 on 29th, April 2019, as published in the Haryana Government Gazette, which Regulations have hereinafter been jointly referred to as HERC DSM Regulations, 2019.
- 1.2 Central Electricity Regulatory Commission (CERC for short) notified the DSM Regulations i.e. CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 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.

- 1.3 The Commission decided to revise HERC DSM Regulations, 2019 on the lines of CERC DSM regulation 2022 and its subsequent amendments.
- 1.4 The revised draft DSM regulation 2024 was framed on the lines of CERC DSM regulation 2022 and its subsequent amendments and published on 11.06.2024 for comments of stake holders.
- 1.5 During the public hearing on 19.09.2024 the counsel appearing on behalf of power utilities submitted that now CERC has issued (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 on 05/08/2024. It will be appropriate that the draft regulations be revised on the lines of latest CERC, DSM Regulations, 2024 and the stake holders will submit their comments on the same.
- 1.6 The Commission decided to revise the draft regulations in sync. with CERC DSM regulation 2024 and its subsequent amendments and to Publish/circulate the same, after Model Code of Conduct is over in Haryana, for comments of the stakeholders/interveners.
- 1.7 The Commission prepared revised draft DSM regulation on the line of CERC DSM regulations, 2024 and subsequent amendment dated 17/12/2024, hosted the same on the website of the Commission and invited comments/objections from various stakeholders/general public through public notice on dated 08.01.2025. The comments/suggestions/objections were received from various stakeholders. Thereafter, Commission held public hearing on the draft DSM Regulations on 18.02.2025 which was attended by representatives of Stakeholders and officers of HPGCL/HVPL/UHBVNL/HPPC. Based on the feedback/inputs available with the Commission, Commission felt that in the present scenario certain provisions of the HERC (Deviation Settlement Mechanism and related matters) draft Regulations, 2025 needed amendment.

## **2. Proceeding:**

- 2.1 A public hearing was held on 18.02.2025 wherein the representatives of the stakeholders were present during the hearing.
- 2.2 In response to the ibid public notice the following stakeholders filed their written objections / comments / suggestions:
  - i) Haryana Power Generation Corporation Ltd. (HPGCL)
  - ii) Haryana Power Purchase Centre (HPPC)
  - iii) Haryana Vidyut Prasaran Nigam Ltd. (HVPL)
  - iv) M/s Clean Max
  - v) M/s DIPSA
  - vi) M/s Hexa Renewable Solutions Pvt. Ltd.
  - vii) M/s Sun Energy Pvt Ltd.

- 2.3 The Commission, while giving a final shape to the HERC DSM regulations, 2025 has considered all the written objections / comments / suggestions filed by the interveners as well as oral submissions made in the hearing held on 18.02.2025. The main objections of the interveners and the Commission's view / decision on the same are being discussed in the following paragraphs. The comments / suggestions or rewording of certain regulation(s), addition deletion of words, inadvertent / typographical errors etc. pointed out by the interveners have been incorporated in the HERC DSM regulations, 2025 wherever found appropriate.

**3. Objections / suggestions / comments filed by the Intervenors and Commission's view thereto:**

The interveners have raised the following issues for the consideration of the Commission.

**3.1 Clause 1(2) of the HERC draft DSM Regulations, 2025**

"These regulations shall come into force on such date as may be notified by the Commission separately."

**(a) HPGCL Comments:**

Running of the system on trial basis before implementation on commercial basis.

It is requested that the system/software may be allowed to run on trial basis for at least 12 months and based on the outcome of the trial basis, the DSM Regulations/Procedure may be amended (if required) before its implementation on commercial basis. Implementing the Deviation Settlement Mechanism (DSM) on a trial basis before full-scale commercial application would be beneficial to understand how the DSM framework impacts real-time grid stability, will help identify operational challenges before imposing financial penalties. It will also allow the generators to fine-tune their forecasting and scheduling mechanisms to align with DSM regulations. Further, trial results can be used to fine-tune penalty structures and deviation bands. The Hon'ble Commission, may also consider imposing graded penalty system where plants will get time to adjust before facing full commercial DSM penalties. Thus, it is imperative to have trial basis implementation to help settle all initial difficulties and also curb unnecessary litigation arising out of initial difficulties in operation.

In view of the foregoing, it is most humbly prayed that the foregoing comments made on behalf of HPGCL may kindly be considered and dealt with while notification of HERC DSM Regulations, 2025.

**(b) HVPNL Comments:**

SLDC requested Hon'ble Commission may consider to provide certain time period for trial commercial operations of ibid regulations.

**Commission's view**

The Commission considered the submission made by interveners and observes that four (4) months' time shall be sufficient for development and trial run of procedure and software by SLDC after consultation with all stake holders.

The Clause 1(2) of the regulations shall be substituted as under.

“These regulations shall come into force after four (4) months of their publication in the Haryana Government Gazette.”

3.2 **Clause 2(j) of the HERC draft DSM Regulations, 2025**

“General Seller” means a seller in case of a Generating Station based on resources other than wind or Solar or Hybrid of wind-solar resources.”

(a) **HPPC Comments:**

- The definition of "Seller" in the Draft DSM Regulations is generic and may refer to either a specific generating unit or an entire generating station, including all its units. Therefore, there is a need for explicit clarification on whether DSM charges will be levied unit-wise or station-wise
- It is suggested that DSM accounting should be aligned with the tariff determination and sale arrangement. In cases where the Commission determines tariff on a unit-wise basis or where a Captive Generating Plant (CGP) or an Open Access Generating Plant has unit-wise sale or wheeling arrangements in place, DSM charges should be levied on a unit-wise basis. Conversely, where tariff is determined at the station level and scheduling is done for the entire generating station, DSM charges should be applied on a station-wise basis.

(b) **HPGCL Comments:**

Unit wise or station wise implementation of DSM regulations:

- It is a matter of record that with respect to DSM Regulations, 2019 as well, the HPGCL had sought clarification requesting for a clear stipulation regarding station-wise implementation of DSM. Since the Hon'ble Commission was in process of issuing Draft DSM Regulations, the said application filed by the HPGCL was disposed of in view of the new regulations to be notified in line with CERC DSM Regulations. Pursuant thereto, when the Draft DSM Regulations, 2024 was issued by this Hon'ble Commission for comments, HPGCL, vide their comments, requested for a clear specification in the regulations as regards implementation of DSM on the Power Plant as a whole and on individual units.
- The Draft HERC Regulations, 2025 however, still does not clarify whether the implementation of the DSM shall be Station-wise or Unit-wise. The concern of the HPGCL, therefore, remains the same in light of the draft regulations issued by the Hon'ble Commission. This detailed comments on the same were made and the issue was duly brought to the notice of the Hon'ble Commission during the filing of previous ARR tariff petitions

It is submitted that the Station wise DSM is advantageous for providing grid stability as the same has more flexibility in implementation of schedules in case of outage/problems in Unit(s). Station-wise DSM also aligns with grid management practices where the total output and its alignment with grid requirements are the main concern, rather than individual units' variations. The following illustration may help clarify the foregoing submission:

Station like RGTPP has 2 Units of 600 MW each and at any time each Unit has got schedule to run at 400 MW each (Net Power) up to 4th time block. Thus, the total schedule for RGTPP for current and next three blocks will be 800 MW. In case of tripping of any Unit say Unit-1, Station

will have capability to deliver about 570 MW net Power (i.e. from Unit-2), however, HPGCL will not be able to do so in case of Unit-wise DSM to avoid penalisation. This will ultimately result into unnecessary backing down of the Unit- 2. Thus, in-spite of having additional availability of 170 MW power from Unit-2 with the State, Discoms may either overdraw the power from the grid or impose cuts to balance the situation for 4 blocks. This situation is avoidable on implementation of DSM on station-wise basis.

- It is also pertinent to mention that the issue when raised by the HPGCL with respect to DSM Regulations, 2019, HVPNL had responded upon the same and had not refuted that it is not feasible to implement deviation mechanism Unit-wise. Further, it is imperative to highlight that pursuant to directions of this Hon'ble Commission, a team of HVPNL and HPGCL officials were deputed to check the feasibility for installation of ABT meters at HPGCL generating stations. Accordingly, a joint feasibility report received from HVPNL vide letter dated 18.10.2021 was prepared, wherein it was recorded that it is not possible to implement Unit-wise DSM.
- It is however brought to the notice of the Hon'ble Commission that HPGCL, in an appeal filed against the tariff order, has raised the issue of metering at Plant-wise instead of Unit-wise before Hon'ble Appellate Tribunal for Electricity (APTEL). However, no order, has been passed by the Hon'ble APTEL on the same as yet.
- In light of the foregoing, the Hon'ble Commission is requested to consider the difficulties and clarify that the DSM Regulations, 2025 shall be implemented Station-Wise.

#### **Commission's view**

The issue of Unit wise or station wise implementation of DSM regulations has already been clarified in the tariff order dated 22.02.2022 for HPGCL for FY 2022-23 as under:

*"The Commission observes that the issue has already been decided in its earlier order dated 18.02.2021. The relevant part of the Order dated 18.02.2021 (HERC/PRO-76 of 2020), is reproduced as under:*

*The issue raised regarding implementation of DSM has been considered. The Commission is of the view that the tariff determined by the Commission is Unit Wise and not power plant wise i.e. PTPS Units 6 to 8, are considered as separate Units. Hence, DSM ought to be applicable Units wise as such. The issue of ABT Meters can be sorted out mutually between the STU and HPGCL. Hence, the Commission is not inclined to relax the relevant Regulations as prayed for." (page 101 of the order dated 18.02.2021).*

*Hence, the issue raised by HPGCL has already been decided by the Commission, in terms of the order reproduced above and subsequent to that there are no change or circumstances caused by change in law, judgement of Hon'ble Supreme Court or Hon'ble APTEL which may warrant the Commission to reconsider its decision. Accordingly, at this stage, nothing survives for consideration of the Commission."*

Therefore, applicability of DSM regulation either station wise or unit wise has to be aligned with the tariff determination as per the HERC

MYT regulations in vogue. The definition of General Seller shall be revised to include the term “Generating Unit”

**Clause 2 (j) of the HERC draft DSM Regulations, 2025 shall be substituted as under:**

‘General Seller’ means a seller in case of a generating unit/station (depending on unit wise or station wise tariff determination as per the HERC MYT regulations in vogue) based on resources other than wind or Solar or Hybrid of wind-solar resources.

**3.3 Clause 2 (t) of the HERC draft DSM Regulations, 2025**

‘Reference Charge Rate’ or ‘RR’ means

- (i) in respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/ kWh energy charge as determined or adopted or approved by the Appropriate Commission, or
- (ii) in respect of a general seller whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1) (b) of the Act, and selling power through power exchange(s), the price as discovered in the power exchange for the respective transaction; or
- (iii) in respect of a general seller selling power through open access to a third party or in case of captive consumption of a captive generating plant based on resources other than renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all the Power Exchanges for the respective time block; or
- (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the reference rates of all such contracts or transactions.

**(a) HVPNL Comment:**

- Unit rate of certain sellers covered under section 62 or 63 is not firm/ fixed and vary based on fuel prices and Gross Calorific Value (GCV) of the fuel. Such sellers submit bills of variable/ energy charges only at the end of the month.
- Further, the reference charge rates of the previous month are available only after 10<sup>th</sup> of the current month. As such, it is suggested to use the last available value of energy charge rate (Rs/ kWh) during the current week to determine the DSM charges.
- The responsibility of providing the ‘Reference Charge Rates’ may be fixed i.e. either by seller or buyer.

**(b) HPPC Comment:**

- For sellers whose tariffs are determined under Section 62 or 63 of the Electricity Act, the ECR is not fixed and varies based on fuel costs and Gross Calorific Value (GCV). Since deviation charges are calculated weekly but energy charges are billed monthly, clarification is needed on the appropriate period for determining the Reference Charge Rate (RCR) while computing weekly deviation charges. Further, it is requested to clarify whether the actual SHR and GCV values be used for each week, or should the last approved ECR (without SHR/GCV adjustments) be taken as the RCR.
- Further, for sellers whose tariff is not firm/fixed and may vary on a daily basis due to fluctuations in fuel prices or Gross Calorific Value (GCV),

a key concern is the alignment of weekly deviation charges with monthly energy charge billing. Since such sellers only submit variable/energy charge invoices at the end of the month, the Hon'ble HERC may clarify the period of ECR to be considered as the "Reference Charge Rate" while computing DSM charges weekly.

- Additionally, to ensure transparency, Hon'ble Commission may direct Generator to upload the Reference Charge Rates (RCR) on the SLDC website along with proper justification and supporting details. This will enable stakeholders to verify the correctness of the RCR applied for DSM accounting.
- For Gas-Based Generating Stations (GBGS) or other generators that can use multiple fuels (e.g., Natural Gas, RLNG, Liquid Fuel), there are situations where they declare availability on RLNG or Liquid Fuel due to the non-availability of APM gas for a long period. If these generators are not generating power (boxed up) but are still drawing power from the grid, the Hon'ble Commission is requested to clarify how the Reference Charge Rate (RCR) will be determined. In such cases, the RCR may be based on the rate at which the plant has declared its availability

**Commission's View**

- I. SLDC, being controlling authority shall formulate appropriate procedure for accounting of DSM charges after undertaking consultation with stakeholders within three months of notification of these regulations under intimation to the Commission.
- II. For better transparency generators should upload the Reference Charge Rates (RCR) on the SLDC website along with proper justification and supporting details to enable stakeholders to verify the correctness of the RCR applied for DSM accounting.
- III. The CERC DSM regulations, 2024 is applicable on the gas based generating station (Faridabad) presently existing in Haryana. Hence no change is required in the HERC draft DSM Regulations, 2025.

**3.4 Clause 2 (v) of the HERC draft DSM Regulations, 2025**

'Scheduled Generation' or scheduled injection for a time block or any period means schedule of generation or injection in MW or MWh ex-bus given by the State Load Despatch Centre;

**HVPNL Comments**

Request to replace unit of MW or MWh with kW or kWh

**Commission's view**

The generation or injection schedule is given by SLDC/NRLDC in MW or MWh ex-bus. No change is required in the HERC draft DSM Regulations, 2025.

**3.5 Clause 2 (w) of the HERC draft DSM Regulations, 2025**

"Scheduled Drawl' for a time block or any period means schedule of drawl in MW or MWh ex-bus given by the State Load Despatch Centre"

**HVPNL Comments**

Request to replace unit of MW or MWh with kW or kWh

**Commission's view**

The schedule of drawl is given by the SLDC/NRLDC in MW or MWh ex-bus. No change is required in the HERC draft DSM Regulations, 2025.

### 3.6 **Clause 4 of the HERC draft DSM Regulations, 2025**

#### **“Applicability”**

These regulations shall apply to the transactions of conveyance of electricity through short- term open access or medium-term open access or long-term open access using intra State transmission system or distribution system of electricity (including inter-state wheeling of power), subject to following conditions: -

(A) Deviation Settlement Mechanism under these Regulations shall be applicable for all General Seller(s) (GS), including Open Access Generators, Captive Generators, re-generators with capacity 10 MW and above (excluding In-Situ Captive Generators) connected to Intra-State Transmission system but excluding Wind and Solar Generating Station(s). Provided that, Forecasting, Scheduling and Deviation Settlement related matters in respect of Wind and Solar generation shall be governed as per the provisions of “Haryana Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2019” and its further amendments thereof.

(B) Deviation Settlement Mechanism under these Regulations shall be applicable for all Buyer(s) including Distribution Licensee(s), Deemed Distribution Licensee(s) located in the State and Full Open Access Consumers connected to Intra-State Transmission system.

Provided that, Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system and all Open Access Consumers connected to Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.”

#### **(a) HPGCL Comments:**

Clear specification of non-applicability of the DSM Regulations on the Hydel Power Plant HPGCL:

- Apparently, the DSM regulations do not apply to hydroelectric power plants operating on a one-part tariff (where costs are recovered through a single energy-based charge). This exemption is specifically for hydropower plants that are not scheduled by State Load Despatch Centres (LDCs).
- It is also relevant to refer to HERC MYT Regulations, 2024, which categorically specify that the WYC Hydro Project of HPGCL is not covered under Availability Based tariff (ABT). Regulation 5.5 read with Regulation no 15.5 of HERC MYT Regulations, 2024 provides that for Hydro plant i.e. Western Yamuna Canal Hydro project, Bhudkalan and Kakroi Hydro Plants, having single plant tariff are not covered under ABT regime. Regulation 5.5 and Regulation 15.5 of HERC MYT Regulations, 2024 reads as under –



“5.5 For the plants, if any, not covered under ABT the Commission may determine, single part tariff based on a normative PLF. Provided the Commission may determine tariff for hydro power projects up to 25 MW separately as per the norms specified in the HERC RE Tariff Regulations in vogue

15.5 For the hydro plants i.e. Western Yamuna Canal Hydro project, Bhudkalan and Kakroi Hydro Plants, however, a single part tariff, based on a normative PLF and fixed cost may be determined by the Commission, as per practice consistently followed in the previous control period.”

- The foregoing stipulation is based on the fact that many run-of-river and smaller hydro projects operate based on natural water availability rather than scheduled dispatches. Since their generation is inflexible and non-controllable, imposing deviation penalties would be unreasonable.
- Furthermore, the rated capacity of machine in WYC hydro project is less than 10 MW and the generation, being a Run of River project, depends upon flow of water in the canal which is regulated by the irrigation department as per their requirement. In light of the foregoing stipulation, it is explicit that the Hon’ble Commission, after taking into consideration the distinct features of Run of River WYC hydro project of HPGCL chose to determine single part tariff for same and excluded it from ABT. The implementation of scheduling is not possible for WYC hydro projects and since the cost of power of WYC hydro Project is very low, it is not in the interest of State to either back down or curtail this power.
- In view of the foregoing, although it is evident the DSM regulations has no applicability in case of WYC hydro project of HPGCL. However, it is submitted that the Hon’ble Commission may, in the interest of putting a quietus to any further litigation, consider adding an explicit provision with respect to the applicability of HERC DSM Regulations, 2025 specifying that the WYC hydro project of HPGCL is excluded from the ambit of HERC DSM Regulations, 2025.

**(b) HVPNL Comments:**

The opening para of regulation no. 4 defines applicability of draft regulations on the transactions of conveyance of electricity using intra State transmission system or distribution system of electricity including inter-state wheeling of power; however, while defining applicability in details for Seller and Buyers at Sr. No. ‘A’ & ‘B’, the provisions for sellers and buyers connected to Inter State transmission network and Distribution Network are not mentioned. It is submitted that intra-state sellers and buyers connected to Inter State transmission network and Distribution Network should also be brought under the ambit of these regulations.

Further, as per proviso to clause 4. (B), the instant DSM Regulations would not be applicable on Partial Open Access Consumers connected to Intra-State Transmission system and all Open Access Consumers connected to Distribution Network. Rather HERC Open Access Regulations, 2012 would be applicable on Partial Open Access

Consumers connected to Intra-State Transmission system and all Open Access Consumers connected to Distribution Network. In accordance with the current provision, HERC Open Access Regulations, 2012 shall be applicable even on Full Open Consumers connected on Distribution Network and draft DSM Regulations 2025 shall be applicable on such consumers connected to Intra-State Transmission system only. It is submitted that full open access consumers connected to distribution system should also be brought under the ambit of these regulations.

(c) **M/S DISPA Comments (Only the prayer has been discussed here as the comments are mostly related to wind and solar energy):**

- Clarification on DSM Applicability: The Hon'ble Commission should explicitly state that the DSM regulations are not applicable to buyers/consumers availing Long-Term Open Access for Solar and Wind energy and that DSM charges shall only apply to Short-Term Open Access transactions.
- Standby Charges Instead of DSM Penalty: Any deviation arising from under-injection by an Open Access generator should be covered under standby charges (capped at 25% of energy charges), rather than DSM penalties (which are currently at 200%).

Alignment with National Renewable Energy Policies: Any provision that discourages Green Energy Open Access adoption contradicts national and state renewable energy objectives. Regulatory clarity is essential to provide confidence to Green Energy Open Access consumers.

(d) **M/S Clean MAX Comments (Only the prayer has been discussed here as the comments are mostly related to wind and solar energy):**

The hon'ble commission through this regulation shall clarify that the provisions of the DSM as imbalance charges on buyer on account of over drawl / under drawl is only applicable on power sourced from Short Term and Power Exchanges or Power Drawn from Open Access (Except Solar and Wind).

Further, the hon'ble commission through this regulation shall clarify that the provisions of the DSM and over drawl charges shall not be levied on the Buyers / Consumers of Long-Term Open Access from Solar and Wind.

(e) **M/s Hexa Renewable Solutions Pvt. Ltd. and Hexa Sun Energy Pvt. Ltd. comments (Only the prayer has been discussed here as the comments are mostly related to wind and solar energy):**

In case Captive RE generator plant, beneficiary and the captive plant are the same entities. Therefore, consumer sourcing power renewable energy from Captive wind/ solar energy sources under the Haryana Electricity Regulatory Commission (Green energy Open Access) Regulations, 2023 shall not be penalized if they exceeds their admissible drawl and has to pay deviation charges as per the Haryana Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement and related matters for Solar and Wind Generation) Regulations, 2019 along with its amendments on the generation side.

Further, the Hon'ble commission through this regulation shall clarify that the provisions of the imbalance charges on buyer on account of over drawl/ under drawl is not applicable on Long-term open access

from Solar and wind including hybrid projects with or without battery storage.

**Commission's view:**

- I. Separate regulations for Solar and Wind Energy are in vogue and the HERC DSM Regulations, 2025 is not applicable on the Solar and Wind Energy. Accordingly, the comments about Solar & wind energies and their Long-Term Power Agreements etc. are not relevant to this regulation, hence, not discussed here.
- II. The present HERC DSM Regulations, 2025 is applicable only on entities connected on Intra State Transmission or Distribution Network and not for entities connected on interstate transmission system (ISTS). Accordingly, contention of intervener for applicability DSM on the entities connected on Inter State Transmission System is not considered.
- III. All Run of River (RoR) hydro generating units such as Western Yamuna Canal Hydro project, Bhudkalan and Kakroi of HPGCL are covered under the definition of '**General seller**' as per the regulations, accordingly DSM charges shall be applicable, which are without any linkage to frequency as per clause 12(2) of these regulations.
- IV. The Commission agrees with the comments of HVPN regarding applicability of DSM regulations for all General Seller(s) (GS), including Open Access Generators, Captive Generators, re-generators with capacity 10 MW and above (excluding In-Situ Captive Generators) connected to distribution network also hence the clause 4(A) of the Draft DSM regulations shall be substituted as under  
"Deviation Settlement Mechanism under these Regulations shall be applicable for all General Seller(s) (GS), including Open Access Generators, Captive Generators, re-generators with capacity 10 MW and above (excluding In-Situ Captive Generators) connected to Intra-State Transmission system or Distribution Network but excluding Wind and Solar Generating Station(s).  
Provided that, Forecasting, Scheduling and Deviation Settlement related matters in respect of Wind and Solar generation shall be governed as per the provisions of the Haryana Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2019 and its further amendments thereof."
- V. The Commission agrees with the comments of HVPN regarding applicability of DSM regulations for all Buyer(s) including Distribution Licensee(s), Deemed Distribution Licensee(s) located in the State and Full Open Access Consumers connected to Intra-State Transmission system or Distribution Network provided that, Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system or Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment

thereof. Hence Clause 4(B) of the draft DSM regulations shall be substituted as under

“Deviation Settlement Mechanism under these Regulations shall be applicable for all Buyer(s) including Distribution Licensee(s), Deemed Distribution Licensee(s) located in the State and Full Open Access Consumers connected to Intra-State Transmission system or Distribution Network.

Provided that, Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system or Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.”

3.7 **Clause 6 (e) of the HERC draft DSM Regulations, 2025**

“Measurement Unit for State Deviation Pool Account: The measurement unit for State Deviation Pool Account Volume preparation shall be kilowatt hours (kWh). Measurement unit for State Deviation Pool Account 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.”

**HVPNL Comments:**

Measurement Unit for State Deviation Pool Account: The measurement unit for State Deviation Pool Account Volume preparation shall be kilowatt hours (kWh). Measurement unit for State Deviation Pool Account Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of the amount (INR) shall be rounded off to nearest integer value.

**Commission’s view**

The Commission agrees with the comments of HVPNL and the Regulation 6 (e) of the HERC draft DSM Regulations, 2025 shall be substituted as under:

“Measurement Unit for State Deviation Pool Account: The measurement unit for State Deviation Pool Account Volume preparation shall be kilowatt hours (kWh). Measurement unit for State Deviation Pool Account Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of amount (INR) shall be rounded off to nearest integer value.”

3.8 **Clause 6(f) of the HERC draft DSM Regulations, 2025**

Premise for Allocation of Losses:

“For the purpose of State Deviation Pool accounting, intra-state transmission system losses as per MYT regulation or as approved by the Commission separately from time to time shall be allocated amongst the State Entities in proportion to the actual drawl by each State Entity as per methodology provided in MYT regulations. Provided that 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.”

(a) **HVPNL Comments:**

At present, monthly losses are being calculated & being implemented accordingly as per provisions of MYT Regulations. Further, SLDC is in process of calculating weekly losses as per MYT Regulations.

For consolidating 52 weekly losses and thereafter its implementation, a period of 1 year is required after start of computation of weekly losses. The ibid draft regulations provide for allocation of losses on Intra-State entities as per MYT Regulations or as approved by the Commission. The relevant provisions of MYT Regulations, 2024 provides that SLDC shall reduce the demand scheduled by the beneficiaries during each time block by the 12 months rolling transmission losses (the said period will be the 12 months period preceding the relevant month by 3 months). The SLDC shall post the rolling 12 months losses regularly on its website. The SLDC, however, shall develop necessary software for working out rolling 52-week losses and reduce the scheduled demand accordingly thereafter. As such, it is suggested that SLDC shall apply monthly losses for preparation of DSM Account as per provisions of ibid regulations till 52 weekly average losses are available.

(b) **HPPC Comments:**

It has been mentioned that intrastate transmission system losses as approved by commission shall be allocated amongst the state entities in proportion to the actual drawl by each state entity. It has further been stipulated in draft DSM regulation that SLDC 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.

The provisions in respect of “Transmission losses” as provided in Clause 47.4(b) of HERC MYT Regulations 2024 is reproduced as under:

*“The losses shall be borne by the beneficiaries in kind. The SLDC shall reduce the demand scheduled by the beneficiaries during each time block by the 12 months rolling transmission losses (the said period will be the 12 months period preceding the relevant month by 3 months). The SLDC shall post the rolling 12 months losses regularly on its website. The SLDC, however, shall develop necessary software for working out rolling 52-week losses and reduce the scheduled demand accordingly thereafter.”*

The two clauses regarding losses in the aforementioned regulations are not in consonance with each other w.r.t weekly or monthly. Hon’ble Commission may look into the same while finalizing the DSM Regulations.

**Commission’s view**

The Commission agrees with the comments of HVPNL and HPPC. The present practice of monthly loss calculation as per provisions of the HERC MYT Regulations be continued till weekly data of 52 weeks average losses is available or one year from the date these regulations shall come into force, whichever is earlier.

**Clause 6(f) of the HERC draft DSM Regulations, 2025 shall be**

**substituted as under**

“Premise for Allocation of Losses:

For the purpose of State Deviation Pool accounting, intra-state transmission system losses as per MYT regulation or as approved by the Commission separately from time to time shall be allocated amongst the State Entities in proportion to the actual drawl by each State Entity as per methodology provided in MYT regulations. Provided that 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. The present practice of monthly loss calculation as per provisions of MYT Regulations may be continued till weekly data of 52 weeks average losses is available or one year from the date these regulations shall come into force, whichever is earlier.”

**3.9 Clause 7(1) of the HERC draft DSM Regulations, 2025**

The provisions of the CERC (Indian Electricity Grid Code) Regulations, 2023 as amended from time to time shall be applicable for scheduling for all sellers and buyers except for partial Open Access Consumers for which Haryana Electricity Regulatory Commission (Grid Connectivity and IntraState Open Access Regulations), 2012 as amended from time to time shall be applicable.

**HVPNL comments:**

In the Regulation 7 (1) w.r.t. provision of IEGC for scheduling, following proviso may be added:

Provided that the unit for scheduled drawl and scheduled injection may be taken as KWh.

**Commission’s view**

Since injection and drawal schedules are given by SLDC/NRLDC in MW or MWh ex-bus, accordingly, no change is required in the HERC draft DSM Regulations, 2025

**3.10 Clause 10 of the HERC draft DSM Regulations, 2025**

Computation of Deviation

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

Deviation-general seller ( $D_{GS}$ ) (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)].

Deviation-general seller ( $D_{GS}$ ) (in %) =  $100 \times \frac{[(\text{Actual injection in MWh}) - (\text{Scheduled generation in MWh})]}{[(\text{Scheduled generation in MWh})]}$ .

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

Deviation- buyer ( $D_{BUY}$ ) (in MWh) = [(Actual drawl in MWh) – (Scheduled drawal in MWh)].

Deviation- buyer ( $D_{BUY}$ ) (in %) =  $100 \times \frac{[(\text{Actual drawl in MWh}) - (\text{Scheduled drawal in MWh})]}{[(\text{Scheduled drawal in MWh})]}$ .

**HVPNL Comments:**

Request to replace unit of MW or MWh with kW or kWh

**Commission’s view**

The injection and drawal schedules are given by SLDC/NRLDC in MW or MWh ex-bus, accordingly, no change is required in the HERC draft DSM Regulations, 2025

### 3.11 **Clause 11(1) of the HERC draft DSM Regulations, 2025**

Settlement:

Normal rate of charges for deviation

- (1) The Normal Rate (NR) of charges for deviation for a particular time block shall be the highest of (A), (B) or (C), where (A), (B) and (C) are as follows:
  - (A) the weighted average ACP (in Paise /kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges;
  - (B) the weighted average ACP (in Paise /kWh) of the Real Time Market segments of all the Power Exchanges;
  - (C) the sum of:
    - (a)  $1/3$  [ Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];
    - (b)  $1/3$  [ Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and
    - (c)  $1/3$  [Ancillary Service Charge (in paise/kWh) computed based on the total quantum of Ancillary Services (SRAS UP and TRAS UP) deployed and the net charges payable to the Ancillary Service Providers for all the Regions];

Provided that in case of non- availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered.

#### **HPPC Comments:**

As per the proposed draft DSM Regulation, at regulations (11), following are the proposed DSM charges from discoms/buyer perspective:

DSM Rates shall be highest of following:

- A). the Weighted Average ACP (in Paisa/kWh) of the Integrated Day-Ahead Market (DAM) segments of all the Power Exchanges.
- B). the Weighted Average ACP (in Paisa/kWh) of the Real Time Market (RTM) segments of all the Power Exchanges.
- C) the sum of
  - a.  $1/3$  [the Weighted Average ACP (in Paisa/kWh) of the Integrated Day-Ahead Market (DAM) segments of all the Power Exchanges
  - b.  $1/3$  [the Weighted Average ACP (in Paisa/kWh) of the Real Time Market (RTM) segments of all the Power Exchanges; and
  - c.  $1/3$  [ Ancillary Services Charges (in Paisa/kWh) computed based on the quantum of Ancillary Services (SRAS UP and TRAS UP) deployed and the net charges payable to the Ancillary Services provided for all the regions].

Accordingly, the proposed charges for deviations from the Byers/Discoms prospective at regulation (12) @ sr.no. (5) based upon different volume Limit (VL) at different frequencies may be summarized

in three categories as under:

- (i) For Volume Limit-1 (VL-1) Deviation up to [ 10% or 100 MW whichever is Less;
  - (ii) For Volume Limit-2 (VL-2) Deviation [ beyond 10% or 100 MW, whichever is less and up to [15% or 200 MW, whichever is less] ;
  - (iii) For Volume Limit-3 (VL-3) Deviations beyond [15% or 200MW, whichever is less]
- (1) For Deviation (VL-1) up to 10% Schedule Drawl or 100 MW, whichever is less

Frequency	Under Drawl (Receivable by Buyer) *	Over Drawl (Payable by Buyer) *
	Proposed	
Beyond 50.10	-0.10	0.00
50.10	-0.10	0.00
50.09	0.00	-0.50
50.08	0.00	-0.50
50.07	0.00	-0.50
50.06	0.00	-0.50
50.05	0.50	-0.75
50.04	0.58	-0.80
50.03	0.66	-0.85
50.02	0.74	-0.90
50.01	0.82	-0.95
50.00	0.90	-1.00
49.99	0.91	-1.05
49.98	0.92	-1.10
49.97	0.93	-1.15
49.96	0.94	-1.20
49.95	0.95	-1.25
49.94	0.96	-1.30
49.93	0.97	-1.35
49.92	0.98	-1.40
49.91	0.99	-1.45
49.90	1.00	-1.50
Below 49.90	1.00	-1.50

\* Multiples of DSM rate as above as case may be

- (2) For Deviation (VL-2) Between 10% or 100 MW to 15% or 200 MW, whichever is less

Frequency	Under Drawl (Receivable by Buyer)*	Over Drawl (Payable by Buyer)*
	Proposed	
Beyond 50.10	-0.10	0.00



50.10	-0.10	0.00
50.09	0.00	-0.75
50.08	0.00	-0.75
50.07	0.00	-0.75
50.06	0.00	-0.75
50.05	0.50	-1.00
50.04	0.50	-1.00
50.03	0.50	-1.00
50.02	0.50	-1.00
50.01	0.50	-1.00
50.00	0.80	-1.50
49.99	0.80	-1.50
49.98	0.80	-1.50
49.97	0.80	-1.50
49.96	0.80	-1.50
49.95	0.80	-1.50
49.94	0.80	-1.50
49.93	0.80	-1.50
49.92	0.80	-1.50
49.91	0.80	-1.50
49.90	0.80	-1.50
Below 49.90	0.80	-1.50

\* Multiples of DSM rate

(3) For Deviation (VL-3) Beyond 15% or 200 MW, whichever is less

Frequency	Under Drawl (Receivable by Buyer) *	Over Drawl (Payable by Buyer) *
	Proposed	
Beyond 50.10	-0.10	-0.50
50.10	-0.10	-0.50
50.09	0.00	-1.00
50.08	0.00	-1.00
50.07	0.00	-1.00
50.06	0.00	-1.00
50.05	0.00	-1.00
50.04	0.00	-1.00
50.03	0.00	-1.00
50.02	0.00	-1.00
50.01	0.00	-1.00
50.00	0.00	-2.00
49.99	0.00	-2.00
49.98	0.00	-2.00
49.97	0.00	-2.00
49.96	0.00	-2.00
49.95	0.00	-2.00
49.94	0.00	-2.00

49.93	0.00	-2.00
49.92	0.00	-2.00
49.91	0.00	-2.00
49.90	0.00	-2.00
Below 49.90	0.00	-2.00

\* Multiples of DSM rate

From the above proposed range of Frequency linked DSM for Discoms/Buyer prospective following can be inferred:

- i. DSM proposed for the frequency range i.e. 50.00Hz to 49.90Hz, and 50.00 Hz to 50.10 with all the allowed volume limit reveals that in case of Under-drawls, the buyers will always be receiving less of the Normal Rate (NR) i.e. (50% to 99%), while in case of over-drawls, the Discoms/Byers to pay higher of the Normal Rate i.e. (100% to 200% of NR). These variations of DSM charges for the case of over drawl and under Drawl for Discoms will result in higher DSM charges to the Discom. As above, the case of over drawl is unfairly punitive than the case of under-drawl. Therefore, it should be at least having equal weightage in both cases of over drawl/under drawl as both cases equally hold good for grid discipline.  
Further the 10% NR penalty for under-drawls at or beyond 50.10 Hz is particularly punitive, given that such deviations are generally weather-induced and beyond the control of Discoms even after putting the system on maximum load. Therefore, such deviations should not be considered for DSM calculations as unpredicted weather conditions result in heavy under drawl.  
This aspect of under drawl due to uncertain weather condition change should be considered under force majeure having no/negligible control on demand by Discoms needs to include in proposed regulations.
- ii. Further, the proposed regulations have reduced the incentive for Discoms to provide grid support through under-drawl across nearly all frequency ranges beyond 15% or 200 MW limit. The incentives for supporting the grid by deviating beyond prescribed limits seems have a negative impact on Discoms willingness to assist in grid stability during critical periods.
- iii. Additionally, to enhance responsiveness and reduce DSM charges, intra-state generators should be allowed to revise schedules within 2–3 -time blocks (instead of the existing 6-time blocks followed by CGS plants, as the early revision of the intra-state plants will be helpful in following load trends ( i.e. it will help to avoid unscheduled power cuts or put max load messages during any sudden weather change or other system eventuality) thus also help in reducing intrastate DSM charges for Discoms, which further lead to fast response in reference to the frequency for grid stability.

#### **Commission's view**

- I. The HERC DSM regulations have been prepared on the lines of CERC DSM regulation 2024 which has been drafted keeping in

view the grid discipline. No change is required in the HERC Draft DSM regulations, 2025.

- II. The proposed amendment for allowing revision of schedules within 2–3 time blocks instead of the existing 6-time blocks in respect of intra-state generators cannot be considered as it will directly affect the operation of generators and will also affect the Grid Discipline. Further existing provision of allowing revision of schedules after 6-time blocks is in line with IEGC in vogue. Hence, no change is required in the HERC Draft DSM regulations, 2025.

**3.12 Clause 12 (1)(I) (iii) of the HERC draft DSM Regulations, 2025**

When  $[49.97 \text{ Hz} > f \geq 49.90 \text{ Hz}]$ , for every decrease in  $f$  by 0.01 Hz, charges for deviation for such seller shall be increased by 2.15% of RR so that charges for deviation become 115% of RR when  $f = 49.90\text{Hz}$ .

**HVPNL Comments:**

Keeping in view the provisions of increasing RR @2.15% corresponding to every 0.01 Hz decrease in frequency, charges for deviation corresponding to frequency of 49.90 Hz would become 115.05% of RR. As such, Nigam is of view that at last step i.e. 49.90 Hz, the % increase in RR may be considered as 2.10% instead of 2.15% in order to arrive at 115% of RR at 49.90 Hz frequency. The same difficulty is for conditions when generator is under injecting.

**Commission's view**

In this clause over injection Deviation charges are capped at 115.00 % and under injection Deviation charges are capped at 150.00 %. No change is required in the HERC draft DSM regulations, 2025.

**3.13 Part of Clause 12 (5) of the HERC draft DSM Regulations, 2025 referring to Charges for Deviations and Buyer Volume Limit for RE Rich State and Super RE Rich State is as under;**

Buyer (being an RE Rich State)	VLB (1) = Deviation up to 200 MW
	VLB (2) = Deviation beyond 200 MW and up to 300 MW
	VLB (3) = Deviation beyond 300 MW
Buyer (being Super RE Rich State)	VLB (1) = Deviation up to 250 MW
	VLB (2) = Deviation beyond 250 MW and up to 350 MW
	VLB (3) = Deviation beyond 350 MW

**HVPNL Comments:**

The criteria for ascertaining RE Rich State and Super RE Rich State has not been defined in the ibid draft regulations. Further, HAREDA may be nominated as nodal agency for declaring region wise RE capacity of State/intra-state entity.

By referring the definition of 'Buyer' contained in CERC DSM Regulations, it is presumed that the same has been used for calculating DSM Charges of the State as a whole. However, for calculating deviation charges of intra-state buyers as per ibid draft regulations, Hon'ble

HERC is requested to define whether RE capacity of the State as a whole is to be considered or RE capacity for each entity is to be considered.

**Commission's view**

DSM Regulation in respect of Wind and Solar is not part of this regulation, accordingly, part of clause referring to deviation and buyer volume limits regarding RE Rich State and Super RE Rich State shall be deleted from the clause 12(5) of the draft DSM regulations, 2025.

3.14 **Clause 12(5) now 12(6) of the HERC draft DSM Regulations, 2025**

The charges for deviation by way of injection of infirm power shall be zero:

Provided that if infirm power is scheduled after trial run as specified in the Grid Code, the charges for deviation over the scheduled infirm power shall be as applicable for a general seller.

Provided further that when the system frequency,  $f > 50.05$  Hz, the charges for deviation of scheduled infirm power by way of over injection by a general seller shall be zero.”

**HPGCL Comments:**

- As per Regulation 12(5) of Draft HERC DSM Regulations, 2025, the charges for deviation for injection of infirm power has been fixed as zero provided upon such infirm power being scheduled after trial run, the charges for deviation over the scheduled infirm power shall be as applicable for a general seller. It is further provided that when the system frequency is greater than 50.05 Hz, the charges for deviation of scheduled infirm power by way of over injection by a general seller shall be zero.
- The Draft Regulations, 2025 have been issued in line with CERC DSM Regulations. However, in certain spheres, the dynamics of scheduling in the Centre and State is distinct thereby requiring appropriate modification in the applicable regulations. Regulation 12(5) regarding infirm power has been incorporated in line with CERC Regulations. In case of Central Generating Stations, power may not be allocated to the States before COD. Any infirm power generated before COD by a Central Generating Station is injected into the grid but is not part of the long-term allocation to beneficiary states. However, in case of intra State Generating Stations, even before COD, 100% power is supplied within in the Intra State transmission network after obtaining connectivity from HVPNL. Thus, the power generated from such intra state generating units is invariably consumed by State Discoms without any scheduling.
- In light of foregoing, it is submitted that the Hon'ble Commission may consider incorporation of following suitably:  
*“For injection of infirm power i.e. before COD, the generator shall be paid by the State Discoms equal to the actual expenditure incurred on fuel cost for supplying the infirm power.”*

**Commission's view:**

The scheduled infirm power after trial run has been considered as the schedule of General Seller, accordingly, DSM shall be applicable on same

terms to maintain grid discipline. Hence no change is required in the draft HERC DSM Regulations, 2025.

3.15 **Clause 12 (6) now 12(7) of the HERC draft DSM Regulations, 2025.**

“The charges for deviation for drawal of start-up power before the COD of a generating unit or for drawal of power to run the auxiliaries during the shutdown of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate or contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be.”

**HVPNL Comments:**

SLDC is of view that there may be cases where schedule of a seller is Zero despite being available by giving Declared capacity and generator is drawing power. It is suggested that in this scenario, the reference charge rate corresponding to base fuel may be used to calculate the DSM charges.

The same procedure may be applied for generators having multiple fuels/contracts under shutdown or before CoD for drawing power.

Proposed as under

The charges for deviation for drawal of power to run the auxiliaries during the backdown of a generating station shall be payable at the reference charge rate corresponding to base fuel of the generating station.

**Commission’s view**

The HERC DSM regulations-2025 are well defined for different scenarios, accordingly, no change is required in the HERC draft DSM Regulations, 2025

3.16 **Clause 13 (2) of the HERC draft DSM Regulations, 2025**

“Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system and all Open Access Consumers connected to Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.”

**HVPNL Comments:**

It is suggested that Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to Intra/Inter-State Transmission system and Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.

**Commission’s view**

The Commission agrees with the comments of HVPNL and the clause 13(2) of the HERC draft DSM Regulations, 2025 shall be reworded in consonance with amended clause (4) of these regulations as under:

“Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system or Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.”

3.17 **Clause 13 (4) of the HERC draft DSM Regulations, 2025**

“A detailed energy accounting procedure shall be prepared by SLDC and submitted to the Commission for approval.

Provided that, SLDC shall undertake stakeholder consultation by uploading the draft procedure on SLDC’s website before submission of procedure to the Commission for approval.”

**Commission’s view**

For timely implementation of the DSM regulations, Commission finds it appropriate to reword Clause 13 (4) of the HERC draft DSM Regulations, 2025 as under:

“A detailed energy accounting procedure shall be prepared by SLDC within three months of notification of these regulations under intimation to the Commission.

Provided that SLDC shall undertake stakeholders consultation by uploading the draft procedure on SLDC’s website before finalization of the procedure.”

3.18 **Clause 14 (H) of the HERC draft DSM Regulations, 2025**

All payments received in the “State Deviation Pool Account” shall be appropriated in the following sequence:

- 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. (iii now iv) Next dues towards Regional Deviation Pool Account
- v. (iv now v) Lastly, towards charges for deviation.

Provided that

“An amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilised for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by Commission or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the Commission. Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charge from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary

bills. Provided further that SLDC shall prepare scheme(s) and shall submit annual plan for utilisation of surplus funds and implement the scheme(s) only upon approval of the Commission.”

(a) **HVPNL Comments**

It is proposed that provisions for maintaining minimum appropriate fund at the end of Financial year for payment of DSM Charges, may also be inserted.

(b) **HPPC Comments**

Any shortfall in the State Deviation Pool Account must be recovered from the defaulting entities responsible for the shortfall. To maintain grid discipline and financial prudence, the State Load Despatch Centre (SLDC) should identify the entities contributing to the shortfall and levy additional penalties or charges to compensate for the deficit. This approach will ensure that responsible entities bear the cost of deviations rather than shifting the burden to the entire pool.

**Commission’s view**

Commission agrees with views of HVPNL, the proviso shall be suitably substituted. However as far as the comments of HPPC are concerned there is a provision for collection of funds in deviation pool account in case of shortfall and no change is required on this account.

Proviso under Clause 14 (H) of the HERC DSM Regulations, 2025 shall be substituted as under

Provided that

“90% amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilised for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by Commission or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the Commission. Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be

recovered by levy of additional charge from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills. Provided further that SLDC shall prepare scheme(s) and shall submit annual plan for utilisation of surplus funds and implement the scheme(s) only upon approval of the Commission.”

4. In view of above discussions/ decisions, the Commission finalizes the Haryana Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2025, as per annexure “1” attached to the present order. The Commission orders that the Regulation, as approved, shall be sent for notification in the Haryana Government Gazette at the earliest.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 27/05/2025

**Date: 27/05/2025**  
**Place: Panchkula**

**(Mukesh Garg)**  
**Member**

**(Nand Lal Sharma)**  
**Chairman**



**HARYANA ELECTRICITY REGULATORY COMMISSION  
BAYS NO. 33-36, SECTOR-4, PANCHKULA-134112**

**Notification The \_\_\_\_\_, 2025**

**(DEVIATION, SETTLEMENT MECHANISM AND RELATED  
MATTERS) REGULATIONS, 2025**

**Regulation No. HERC/\_\_\_/-** In exercise of the powers conferred under sub-section (3) of Section 32, sub-section (4) of Section 33, Clauses (b) and (h) of sub-section (1) of Section 86, and Clauses (g) and (zp) of Section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers hereunto enabling it in this behalf, the Haryana Electricity Regulatory Commission hereby makes the following regulations.

**1. Short title and commencement**

- (1) These regulations shall be called the Haryana Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2025.
- (2) These regulations shall come into force after four (4) months of their publication in Haryana Government Gazette.

**2. Definitions and Interpretations**

In interpretation of these regulations, unless the context otherwise requires-

- a. **‘Act’** means the Electricity Act, 2003 (36 of 2003);
- b. **‘Actual drawl’** in a time-block means electricity drawn by a buyer, measured by the interface meters;
- c. **‘Actual injection’** in a time-block means electricity injected by the seller, measured by the Interface meters;
- d. **‘Area Clearing Price’** or **‘ACP’** means the price of electricity contract for a time block transacted on a Power Exchange after considering all valid buy and sale bids in a particular area(s) after market-splitting;
- e. **‘Buyer’** means a person, including distribution licensee

- or open access consumer, purchasing electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long-term open access;
- f. **‘Commission’** means the Haryana Electricity Regulatory Commission referred to in sub-section (1) of section 82 of the Act;
- g. **‘Contract rate’** means
- (i) in respect of such entity, whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/kWh tariff as determined or adopted or approved by the Appropriate Commission; or
  - (ii) in respect of such entity, whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, and selling power through power exchange(s), the price as discovered in the Power Exchange for the respective transaction; or
  - (iii) in respect of a general seller selling power through open access to a third party or in case of captive consumption of a captive generating plant based on renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all Power Exchanges for the respective time block; or
  - (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the contract rates of all such contracts or transactions, as the case may be.
- h. **‘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 drawl minus its total scheduled drawl and shall be computed as per regulation 10 of these regulations;
- i. **‘Full Open Access Consumer’ shall** mean Open Access Consumer connected to transmission system or distribution system but not having any contract demand with the distribution licensee within the state;
- j. **‘General seller’** means a seller in case of a generating unit/station (depending on unit wise or station wise tariff

determination as per the HERC MYT regulations in vogue) based on resources other than wind or solar or hybrid of wind-solar resources;

- k. **‘Grid Code’** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act.
- l. **‘Indian Electricity Grid Code’ (or ‘IEGC’)** means the Grid Code specified by the Central Electricity Regulatory Commission under Section 79(1)(h) of the Act;
- m. **Integrated Day Ahead Market** means a market where Day Ahead Contracts are transacted on the power exchanges, including collective transactions under Day Ahead Market (DAM), Green Day Ahead Market (Green DAM), and High Price Day Ahead Market (HP-DAM);
- n. **‘Interface meters’** means 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 and any re-enactment thereof;
- o. **‘Load Despatch Centre’** means National Load Despatch Centre, Regional Load Despatch Centre or State Load Despatch Centre, as the case may be, responsible for coordinating scheduling of the Buyers and the Sellers in accordance with the provisions of Grid Code/IEGC as the case may be;
- p. **‘MSW seller’** means a seller in the case of a generating station based on Municipal Solid Waste and includes Refuse Derived Fuel (RDF) based MSW generating station;
- q. **‘Normal Rate of Charges for Deviation’** means the charges for deviation (in paise/kWh) as referred to in Regulation 11 of these regulations;
- r. **‘Open Access Regulations’** means the Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 as amended from time to time and any re-enactment thereof;
- s. **‘Partial Open Access Consumer’** shall mean Open Access Consumer connected to transmission system or

distribution system and having part of his contract demand with the distribution licensee within the state;

- t. **‘Reference Charge Rate’ or ‘RR’** means
- (i) in respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/ kWh energy charge as determined or adopted or approved by the Appropriate Commission; or
  - (ii) in respect of a general seller whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1) (b) of the Act, and selling power through power exchange(s), the price as discovered in the power exchange for the respective transaction; or
  - (iii) in respect of a general seller selling power through open access to a third party or in case of captive consumption of a captive generating plant based on resources other than renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all the Power Exchanges for the respective time block; or
  - (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the reference rates of all such contracts or transactions.
- u. **‘Run-of-River Generating Station’ or ‘RoR generating station’** means a hydro generating station which does not have upstream pondage;
- v. **‘Scheduled Generation’** or scheduled injection for a time block or any period means schedule of generation or injection in MW or MWh *ex-bus* given by the State Load Despatch Centre;
- w. **‘Scheduled Drawl’** for a time block or any period means schedule of drawl in MW or MWh *ex-bus* given by the State Load Despatch Centre;
- x. **‘Seller’** means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long-

term open access;

- y. **‘State Deviation Pool Account’** means the Account to be maintained and operated by the State Load Despatch Centre as per Regulation 14 of these regulations for receipts and payments on account of deviations by Buyers and Sellers.
- z. **‘State Entity’** means such person (beneficiary) who is in the SLDC control area and whose metering and energy accounting is done at the state level.
- aa. **‘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; Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these regulations and not defined, but defined in the Act, or the Grid Code or any other regulations of this Commission shall have the meaning assigned to them respectively in the Act or the Grid Code or any other regulation.

### 3. **Objective**

- (1) The objective of these regulations is to maintain grid discipline and grid security as envisaged under the Grid Code through the commercial mechanism for Deviation Settlement for controlling drawl and injection of electricity by the users of the grid as per their schedules and dispatches within State of Haryana.
- (2) The SLDC shall make use of the flexibility provided by conventional Generating Units and the capacity of inter-Grid tie-lines to accommodate Wind and Solar energy generation to the largest extent possible subject to Grid security.

### 4. **Applicability**

These regulations shall apply to the transactions of conveyance of electricity through short- term open access or

medium-term open access or long-term open access using intra State transmission system or distribution system of electricity (including inter-state wheeling of power), subject to following conditions: -

- (A) Deviation Settlement Mechanism under these Regulations shall be applicable for all General Seller(s) (GS), including Open Access Generators, Captive Generators, re-generators with capacity **10** MW and above (excluding In-Situ Captive Generators) connected to Intra-State Transmission system or Distribution Network but excluding Wind and Solar Generating Station(s).

Provided that, Forecasting, Scheduling and Deviation Settlement related matters in respect of Wind and Solar generation shall be governed as per the provisions of the Haryana Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2019 and its further amendments thereof.

- (B) Deviation Settlement Mechanism under these Regulations shall be applicable for all Buyer(s) including Distribution Licensee(s), Deemed Distribution Licensee(s) located in the State and Full Open Access Consumers connected to Intra-State Transmission system or Distribution Network.

Provided that, Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system or Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.

## **5. Duties of State Load Despatch Centre and State entities**

These Regulations aim to govern the functioning of the various State Entities in a way that discipline is maintained with regards to the injection and drawl of energy by such State Entities and the reliability and integrity of power system is maintained.

In order to meet these objectives, necessary preconditions and

covenants for participation by State Entities shall be as under:

- (1) The State Entities shall inform the SLDC of all contracts they have entered into for exchange of energy.
- (2) State Entities shall operate their generating plants and loads in a manner that is consistent with the provisions of the Indian Electricity Grid Code and the Haryana State Electricity Grid Code.
- (3) State Entities shall enter into Connection Agreement/Open Access Agreement with the concerned transmission licensee, which shall specify the physical and operational requirements for a reliable operation and gain physical access and connection to the intra-State transmission system (InSTS) or enter into Connection Agreement/Open Access Agreement with concerned Distribution Licensee for use of distribution system, as the case may be in accordance with Haryana Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access Regulations), 2012, and its amendment thereof.

State Entities shall make necessary arrangements for putting up suitable meters, capable of recording energy flows in intervals of a time block, as followed by the Northern Regional Load Despatch Centre (NRLDC) and NRPC, time to time or the CEA Metering Regulations, at the points of interface. The time synchronisation of metering system shall be through Global Positioning System with counter check from the State Energy Accounting Centre which is the SLDC.

- (4) SLDC shall take all decisions prudently with regard to the despatching of stations after evaluating all possible network parameters, constraints, congestions in the transmission network and in the eventuality of any such network aberration, the instructions by the SLDC with regard to despatch and drawl shall be binding on all State Entities.

SLDC shall publish all such information as required for all other State Entities to be aware of the energy

exchanges taking place within the State pool as well as exigency conditions, if any with regard to despatch of power.

**6. Principles for operationalising Deviation Settlement Mechanism**

The framework for Deviation Settlement Mechanism shall cover the following key design parameters.

- (a) **Scheduling Period:** The scheduling period shall comprise of 'Time-block' as defined in clause 'aa' of regulation 2 of these regulations, with first time block starting at 00.00 hrs. (IST) ending with 24:00 hours (IST). The duration of a time block, as followed by the Northern Regional Load Despatch Centre (NRLDC) and NRPC, time to time, shall be applicable:

Based on the availability schedule forecasted by Sellers and load requirement forecasted by Buyers, the SLDC shall draw up the least cost despatch schedule on Day Ahead basis for the Distribution Licensees in accordance with the merit order principles 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 constraints and system emergency conditions.

- (b) **Guiding principles for scheduling and despatch:** All the Sellers and Buyers under these Regulations shall be guided by the scheduling and Despatch procedure to be formulated by SLDC in accordance with provisions of Haryana State Grid Code.
- (c) **Deviation:** For the purposes of Deviation settlement amongst State Entities, the SLDC shall work out the Deviation for 'State Deviation Pool Account' comprising over drawl/under-drawl and over-injection and under-injection for each State Entity corresponding to each Scheduling period. Charges for deviation shall be in accordance to regulation 9 of these regulations.
- (d) **Settlement Period:** Preparation and settlement of 'State Deviation Pool Account' shall be undertaken on weekly basis coinciding with mechanism followed for regional



energy accounts.

- (e) **Measurement Unit** for State Deviation Pool Account: The measurement unit for State Deviation Pool Account Volume preparation shall be kilowatt hours (kWh). Measurement unit for State Deviation Pool Account Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of the amount (INR) shall be rounded off to nearest integer value.
- (f) **Premise for Allocation of Losses:** For the purpose of State Deviation Pool accounting, intra-state transmission system losses as per MYT regulation or as approved by the Commission separately from time to time shall be allocated amongst the State Entities in proportion to the actual drawl by each State Entity as per methodology provided in MYT regulations.

Provided that 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. The present practice of monthly loss calculation as per provisions of the HERC MYT Regulations may be continued till weekly data of 52 weeks average losses is available or one year from the date these regulations shall come into force, whichever is earlier.

## 7. **Scheduling**

- (1) The provisions of the CERC (Indian Electricity Grid Code) Regulations, 2023 as amended from time to time shall be applicable for scheduling for all sellers and buyers except for partial Open Access Consumers for which Haryana Electricity Regulatory Commission (Grid Connectivity and Intra- State Open Access Regulations), 2012 as amended from time to time shall be applicable.
- (2) For a secure and stable operation of the grid, every state entity shall adhere to its schedule as per the Grid Code and shall not deviate from its schedule.

Provided that the revision in generation/ drawl schedule on the day of operation shall be permitted, in accordance with the provisions contained in Indian Electricity Grid Code as amended from time to time.

## **8. Treatment for Gaming**

- (1) The Commission, either suo-moto or on a petition made by SLDC, or any affected party, may initiate proceedings against any generating company or seller on charges of gaming and if required, may order an enquiry to be made by such officer of the Commission or such other party as the Commission may deem fit. The enquiry officer so appointed shall submit his findings within such time as may be fixed by the Commission and such investigating officer or authority shall exercise all powers as envisaged under section 128 of the Act.
- (2) If in the proceeding initiated by the Commission or in the enquiry made in this regard under clause (1) above, it is proved that any generating company or seller has indulged in gaming, the Commission may without prejudice to any other action under the Act or Regulation made thereunder, disallow any charges for deviation to such seller or generating company during the period of such gaming.

## **9. Charges for deviations for Sellers and Buyers:**

The charges for the Deviations for all the time-blocks shall be payable/receivable by the Buyer and Seller, which are State Entities, and shall be worked out as per the relevant provisions of these regulations.

## **10. Computation of Deviation**

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

Deviation-general seller ( $D_{GS}$ ) (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)].

Deviation-general seller ( $D_{GS}$ ) (in %) =  $100 \times \frac{[(\text{Actual injection in MWh}) - (\text{Scheduled generation in MWh})]}{[(\text{Scheduled generation in MWh})]}$ .

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

Deviation- buyer ( $D_{BUY}$ ) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)].

Deviation- buyer ( $D_{BUY}$ ) (in %) =  $100 \times \frac{[(\text{Actual drawal in MWh}) - (\text{Scheduled drawal in MWh})]}{[(\text{Scheduled drawal in MWh})]}$ .

## **11. Normal rate of charges for deviation**

(1) The Normal Rate (NR) of charges for deviation for a particular time block shall be the highest of (A), (B) or (C), where (A), (B) and (C) are as follows:

(A) the weighted average ACP (in Paise /kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges;

(B) the weighted average ACP (in Paise /kWh) of the Real Time Market segments of all the Power Exchanges;

(C) the sum of:

(a)  $1/3$  [ Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];

(b)  $1/3$  [ Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and

(c)  $1/3$  [Ancillary Service Charge (in paise/kWh) computed based on the total quantum of Ancillary Services (SRAS UP and TRAS UP) deployed and the net charges payable to the Ancillary Service Providers for all the Regions]:

Provided that in case of non- availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered.

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

## **12. Charges for deviation.**

(1) Charges for Deviation, in respect of a **general seller (other than an RoR generating station and a generating station based on municipal solid waste)** shall be as under:

<b>Deviation by way of over injection (Receivable by the Seller)</b>	<b>Deviation by way of under injection (Payable by the Seller)</b>
<b>(I) For Deviation up to [10% D<sub>GS</sub> or 100 MW, whichever is less] and <math>f</math> within <math>f</math> band</b>	
(i) @ RR when [49.97 Hz $\leq f \leq$ 50.03 Hz]	(iv) @ RR when [49.97 Hz $\leq f \leq$ 50.03 Hz]
(ii) When [50.03 Hz < $f \leq$ 50.05 Hz], for every increase in $f$ by 0.01 Hz, charges for deviation for such seller shall be reduced by 25% of RR so that charges for deviation become 50% of RR when $f = 50.05$ Hz	(v) When [50.03 Hz < $f \leq$ 50.05 Hz], for every increase in $f$ by 0.01 Hz, charges for deviation for such seller shall be reduced by 7.5% of RR so that charges for deviation become 85% of RR when $f = 50.05$ Hz
(iii) When [49.97 Hz > $f \geq$ 49.90 Hz], for every decrease in $f$ by 0.01 Hz, charges for deviation for such seller shall be increased by 2.15% of RR so that charges for deviation become 115% of RR when $f = 49.90$ Hz	(vi) When [49.97 Hz > $f \geq$ 49.90 Hz], for every decrease in $f$ by 0.01 Hz, charges for deviation for such seller shall be increased by 7.15% of RR so that charges for deviation becomes 150% of RR when $f = 49.90$ Hz
<b>(II) For Deviation up to [10% D<sub>GS</sub> or 100 MW, whichever is less] and <math>f</math> outside <math>f</math> band</b>	
(i) @ zero when [ 50.05 Hz < $f$ < 50.10 Hz]: Provided that such seller shall pay @ 10% of RR when [ $f \geq$ 50.10 Hz]	(iii) @ 85 % of RR when [ $f >$ 50.05 Hz]
(ii) @ 115 % of RR when [ $f <$ 49.90 Hz]	(iv) @ 150 % of RR when [ $f <$ 49.90 Hz]
<b>(III) For Deviation beyond [10% D<sub>GS</sub> or 100 MW, whichever is less] and <math>f</math> within and outside <math>f</math> band</b>	
(i) @ zero when ( $f <$ 50.10 Hz): Provided that such seller shall pay @ 10% of RR when [ $f \geq$ 50.10 Hz]	(ii) @ RR when [ $f \geq$ 50.00 Hz]; (iii) @ 150% of RR when [49.90Hz $\leq f <$ 50.00 Hz]; and (iv) @ 200% of RR when [ $f <$ 49.90 Hz]

Note: System frequency =  $f$  and  $f$  band= [49.90Hz  $\leq f \leq$  50.05Hz]

D<sub>GS</sub> means Deviation-general seller (in %);

- (2) Charges for Deviation, in respect of a **general seller being an RoR generating station**, shall be without any linkage to grid frequency, as under:

<b>Deviation by way of over injection (Receivable by the Seller)</b>	<b>Deviation by way of under injection (Payable by the Seller)</b>
(i) @ RR for deviation up to [15% $D_{GS}$ or 150 MW, whichever is less]; (ii) @ Zero for deviation beyond [15% $D_{GS}$ or 150 MW, whichever is less]	(iii) @ RR for deviation up to [15% $D_{GS}$ or 150 MW, whichever is less]; (iv) @ 105% of RR for deviation beyond [15% $D_{GS}$ or 150 MW, whichever is less] and up to [20% $D_{GS}$ or 200 MW, whichever is less]; (v) @ 110% of RR for deviation beyond [20% $D_{GS}$ or 200 MW, whichever is less].

- (3) Charges for Deviation, in respect of a **general seller being a generating station based on municipal solid waste**, shall be without any linkage to grid frequency, as under:

<b>Deviation by way of over injection (Receivable by the Seller)</b>	<b>Deviation by way of under injection (Payable by the Seller)</b>
(i) @ contract rate for deviation up to [20% $D_{GS}$ ]; (ii) @ Zero for deviation beyond [20% $D_{GS}$ ];	(iii) @ contract rate for deviation up to [20% $D_{GS}$ ]; (iv) @ 110% of contract rate for deviation beyond [20% $D_{GS}$ ].

- (4) Charges for Deviation, in respect of a Standalone Energy Storage System (ESS), shall be the same as applicable to a **general seller (other than an RoR generating station and a generating station based on municipal solid waste)** as specified in Clause (1) of this Regulation:

Provided that in the charging mode, deviation by way of over drawal shall be treated as under injection and deviation by way of under drawal shall be treated as over injection and the charges for deviation shall be settled accordingly:

- (5) Charges for Deviation, in respect of a **Buyer**, shall be

receivable or payable as under:

<b>Deviation by way of under drawal (Receivable by the Buyer)</b>	<b>Deviation by way of over drawal (Payable by the Buyer)</b>
<b>(I) For VLB (1) and <math>f</math> within <math>f</math> band</b>	
i) @ 90% of NR When $f = 50.00$ Hz;	iv) @ NR when $f = 50.00$ Hz;
ii) When $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$ , for every increase in $f$ by $0.01 \text{ Hz}$ , charges for deviation for such buyer shall be decreased by 8% of NR so that charges for deviation become 50% of NR when $f = 50.05 \text{ Hz}$ ;	v) When $50.00 < f \leq 50.05 \text{ Hz}$ , for every increase in $f$ by $0.01 \text{ Hz}$ , charges for deviation for such buyer shall be decreased by 5% of NR so that charges for deviation become 75% of NR when $f = 50.05 \text{ Hz}$ ;
iii) When $[50.00 \text{ Hz} > f \geq 49.90 \text{ Hz}]$ , for every decrease in $f$ by $0.01 \text{ Hz}$ , charges for deviation for such buyer shall be increased by 1 % of NR so that charges for deviation become 100% of NR when $f = 49.90 \text{ Hz}$ ;	vi) When $[50.00 \text{ Hz} > f \geq 49.90 \text{ Hz}]$ , for every decrease in $f$ by $0.01 \text{ Hz}$ , charges for deviation for such buyer shall be increased by 5% of NR so that charges for deviation become 150% of NR when $f = 49.90 \text{ Hz}$ .
<b>(II) For VLB (1) and <math>f</math> outside <math>f</math> band</b>	
(i) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$ : Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10 \text{ Hz}]$ ;	(iii) @ 50% of NR when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$ : (iv) @ zero when $[f \geq 50.10 \text{ Hz}]$ ;
@ NR when $[f < 49.90 \text{ Hz}]$ ;	@ 150 % of NR when $[f < 49.90 \text{ Hz}]$ .
<b>(III) For VLB (2) and <math>f</math> within and outside <math>f</math> band</b>	
(i) @ 80% of NR when $f \leq 50.00 \text{ Hz}$ ;	(iv) @ 150% of NR when $f < 50.00 \text{ Hz}$ ;
(ii) @ 50% NR when $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$ ;	(v) @ NR when $[50.00 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$ ;
(iii) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$ : Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10 \text{ Hz}]$ ;	(vi) @ 75% NR when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$ ;
	(vii) @ zero when $[f \geq 50.10 \text{ Hz}]$ .

(IV) <b>For VLB (3) and <math>f</math> within and outside <math>f</math> band</b>	
(i) @ zero when $f < 50.10$ Hz: Provided such buyer shall pay @ 10% of NR when [ $f \geq 50.10$ Hz];	(ii) @ 200% of NR when $f < 50.00$ Hz; (iii) @ NR when [ $50.00 \text{ Hz} \leq f < 50.10 \text{ Hz}$ ] (iv) @ 50% of NR when [ $f \geq 50.10$ Hz].

Note: Volume Limits for Buyer:

### **Buyer Volume Limit**

Buyer other than (the buyer with a schedule less than 400 MW)

VLB (1) = Deviation up to [10%  $D_{BUY}$  or 100 MW, whichever is less]

VLB (2) = Deviation [ beyond 10%  $D_{BUY}$  or 100 MW, whichever is less] and up to [15%  $D_{BUY}$  or 200 MW, whichever is less]

VLB (3) = Deviation beyond [15%  $D_{BUY}$  or 200 MW, whichever is less]

Buyer (with a schedule up to 400 MW)

VLB (1) = Deviation [20%  $D_{BUY}$  or 40 MW, whichever is less]

VLB (2) = Deviation beyond [20%  $D_{BUY}$  or 40 MW, whichever is less]

- (6) The charges for deviation by way of injection of infirm power shall be zero:

Provided that if infirm power is scheduled after trial run as specified in the Grid Code, the charges for deviation over the scheduled infirm power shall be as applicable for a general seller.

Provided further that when the system frequency,  $f > 50.05$  Hz, the charges for deviation of scheduled infirm power by way of over injection by a general seller shall be zero.

- (7) The charges for deviation for drawal of start-up power before the COD of a generating unit or for drawal of power to run the auxiliaries during the shut- down of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate or contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case

may be.

- (8) Notwithstanding anything contained in Clauses (1) to (7) of this Regulation, in case of forced outage or partial outage of a seller, the charges for deviation shall be @ the reference charge rate for a maximum duration of eight-time blocks or until the revision of its schedule, whichever is earlier.
- (9) For a Seller whose bids are cleared in the HP-DAM, the 'reference charge rate' for deviation by way of 'under-injection' for the quantum of power sold through HP-DAM shall be equal to the weighted average ACP of the HP-DAM Market segments of all the Power Exchanges for that time block;

### **13. State Energy Account**

- (1) The State Load Despatch Centre shall prepare the statement of State Energy Account for each time block for sellers and buyers on monthly basis. Data required for billing of open access consumers shall be passed on to the billing centre of the distribution licensee by the SLDC. The billing centre of the distribution licensee shall be responsible for energy accounting, raising and settlement of bills with open access consumers. Payments of capacity and energy charges by the buyers to the sellers shall be as per the provisions in the respective power purchase agreements or agreement(s) with respect to transactions through power exchange and through Short Term Open Access, as the case may be.
- (2) Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to Intra-State Transmission system or Distribution Network shall be in accordance with the provisions of Haryana Electricity Regulatory Commission (Terms and conditions for grant of connectivity and open access for intra-State transmission and distribution system) Regulations, 2012 and its amendment thereof.
- (3) The State Load Despatch Centre shall be responsible for preparation of weekly (every Thursday) deviation charges statement for all State Entities and billing and collection of deviation charges from the State Entities in accordance with regulation 10 of these Regulations. For preparation of weekly DSM Account statement, SLDC shall consider



frequency as considered by NRPC in the DSM Statement issued to Haryana state, as available on NRPC website or as declared by NRLDC on its website(s).

- (4) A detailed energy accounting procedure shall be prepared by SLDC within three months of notification of these regulations under intimation to the Commission.

Provided that SLDC shall undertake stakeholders consultation by uploading the draft procedure on SLDC's website before finalization of the procedure.

#### **14. Accounting of Charges for Deviation**

- (A) A statement of Charges for Deviations levied under these Regulations shall be prepared by SLDC on weekly basis by the Thursday of the week and shall be issued to all constituents by next Tuesday, for seven-day period ending on the penultimate Sunday midnight.

- (B) 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 funds called the "State Deviation Pool Account", which shall be maintained and operated by the State Load Despatch Centre in accordance with provisions of these regulations.

Provided that the Commission may by order direct any other entity to operate and maintain the Deviation Pool Account.

- (C) The State Deviation Pool Account shall receive credit for:

payments on account of charges for deviation referred to in Regulation 10 of these regulations and the late payment surcharge as referred to in clause (a) of Regulation 15 of these regulation;

Any other charges as may be notified by the Commission.

- (D) The State Deviation Pool Account shall be charged for:
  - (a) payment to seller for over injection as referred to in clause (1) of Regulation 12 of these regulations;

- (b) payment to buyer for under drawl as referred to in clause (5) of Regulation 12 of these regulations;
- (c) Such other charges as notified by the commission;
- (E) Separate books of accounts shall be maintained for the principal component and interest component of charges for deviation by the SLDC
- (F) The State Entities shall comply with statutory requirements of payment of applicable statutory levies, including but not limited to Goods and Service Tax (GST), Tax deduction at source (TDS)
- (G) The State Entities shall facilitate SLDC in meeting with reporting requirements of Statutory Authorities, as necessary.
- (H) All payments received in the “State Deviation Pool Account” shall be appropriated in the following sequence:
  - 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. Next dues towards Regional Deviation Pool Account
  - v. Lastly, towards charges for deviation.

Provided that

“90% amount of surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilised for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by Commission or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the Commission. Provided that, the short fall in funds in the State Deviation Pool Account; if any, at the end of the

weekly settlement period shall be recovered by levy of additional charge from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills. Provided further that SLDC shall prepare scheme(s) and shall submit annual plan for utilisation of surplus funds and implement the scheme(s) only upon approval of the Commission.”

**15. Schedule of Payment of charges for deviation**

- (a) The payment of charges for deviation shall have a high priority and the concerned entity shall pay the due amounts within 7 (seven) days of the issue of statement of charges for deviation by the SLDC, failing which late payment surcharge @ 0.04% shall be payable for each day of delay.
- (b) Any entity which at any time during the previous financial year fails 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 their average payable weekly liability for deviations in the previous financial year in favour of the State Load Despatch Centre within a fortnight from the start of the current financial year.  
Provided that –
  - i. If any State entity 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 open a Letter of Credit equal to 110% of weekly outstanding liability in favour of State Load Despatch Centre within a fortnight from the due date of payment.
  - ii. 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%.
- (c) In case of failure to pay into the Deviation Pool Account within 7 (seven) days from the date of issue of statement of charges for deviation, the State Load Despatch Centre shall be entitled to encash the LC of the concerned entity to the extent of the default and the concerned entity

shall recoup the LC amount within 3 days.

**16. Governance Structure and constitution of State Power Committee**

- (a) Within three months from date of notification of these Regulations, the State Load Despatch Centre shall formulate Operating Procedures and Business Rules for constitution of State Power Committee, which shall be approved by the State Commission.
- (b) The State Power Committee shall:
  - i. Co-ordinate and facilitate the intra-state energy exchange for ensuring optimal utilisation of resources.
  - ii. Monitor compliance of these Regulations by State Entities.
  - iii. Guide the SLDC for modification of Procedure(s) in order to address the implementation difficulties, if any.
  - iv. Provide necessary support and advice to the Commission for suitable modifications/issuance of Operating Procedures, Practice Directions, and amendment to provisions of this regulations, as may be necessary upon due regulatory process.

**17. Repeal and Savings**

- (1) Save as otherwise provided in these regulations, the Haryana Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 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.

**18. Power to amend**

The Commission may, at any time, vary, alter, modify or

amend any provisions of these Regulations.

**19. 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.

**20. Power to relax**

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing 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.

**21. 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.