SUO-MOTO ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO: SM – 14 / 16-17

IN RE THE COMMUNICATION RECEIVED FROM THE WEST BENGAL STATE LOAD DESPATCH CENTRE (WBSLDC) FOR APPROPRIATE ORDER REGARDING SETTLEMENT OF REACTIVE ENERGY CHARGES.

PRESENT:

SRI RABINDRANATH SEN, CHAIRPERSON
SRI AMITAVA BISWAS, MEMBER

Suo-moto order of the West Bengal Electricity Regulatory Commission on the communication received from the West Bengal State Load Despatch Centre (WBSLDC) for appropriate order regarding settlement of reactive energy charge.

<table>
<thead>
<tr>
<th>Noting by Office or Advocate</th>
<th>Sl. No.</th>
<th>Date</th>
<th>Office notes, reports orders or proceedings with signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21.07.2016</td>
<td></td>
<td><strong>ORDER</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. This is in regard to the communication made by the West Bengal State Load Despatch Centre (SLDC) vide no SLDC/HOW/103/141 dated 30.04.2016 requesting this Commission for providing regulatory guidelines towards reactive energy accounting along with its tariff so that state level accounting of reactive energy charges can be introduced and thereby VARH related issues in STU (State Transmission Utility) system can be settled.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. In their communication SLDC has submitted the followings:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(i) As per prevailing practice weekly bills of reactive energy charges as raised by Eastern Regional Power Committee (ERPC) against STU for reactive energy drawal / injection at CTU-STU interconnecting points are being made by WBSEDCL (West Bengal State Electricity Distribution Company Limited).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) WBSEDCL has now stopped this prevailing practice of paying weekly bills of reactive energy charges raised by ERPC and approached SLDC in writing for evaluation of proportionate share of WBSEDCL in reactive energy charges.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(iii) As per Grid Code, (Indian Electricity Grid Code) bill for reactive energy charges are raised by ERPC for reactive energy drawal by STU when voltage at CTU-STU interconnection point goes below 97% of normal voltage and for reactive energy injection by STU when voltage at CTU-STU interconnection point goes above 103% of normal</td>
</tr>
</tbody>
</table>
Su-o-moto order of the West Bengal Electricity Regulatory Commission on the communication received from the West Bengal State Load Despatch Centre (WBSDLDC) for appropriate order regarding settlement of reactive energy charge.

(iv) As per present scenario, WBSEDCL is the sole long term user of state transmission network and other connected state licensees such as CESC, DPL etc. use the same on short term basis for casual requirements.

(v) The matter regarding apportioning of reactive energy bills raised by ERPC against STU has been deliberated in details in the last two SLCF (State Level Co-ordination Forum) meeting wherein all the STU connected licensees have agreed in principle to share it for both VARH drawal below 97% of normal voltage and VARH injection above 103% of normal voltage at their respective inter connection point with STU network.

(vi) At this juncture, for ascertaining licensee wise reactive energy billing, requisite infrastructure needs to be developed for retrieving and compiling of measured reactive energy data from ABT meters at all inter connection points of respective licensees at 15 minutes time block. Thus the accounting of reactive energy drawal / injection by the entities at their respective inter connection point vis-à-vis the settlement of reactive energy charges bill as raised by ERPC cannot be resolved from SLDC end.

3. As per regulation 7.5 of the WBERC (State Electricity Grid Code) Regulations, 2007 (in short ‘State Grid Code’) in the matters concerning VAR drawal / absorption (its rate and payment) from inter-state grid, the SLDC has to follow Grid Code. VAR drawal / absorption and payment for the same shall be settled between a beneficiary / pool account or between the beneficiaries as applicable. The generating
stations shall generate / absorb reactive power as per instruction of SLDC, within the capability limits of the units. No payments shall be made to generating companies for the same.

4. The Commission has observed that mechanism for settlement of the reactive energy charges between the beneficiaries has been made in the Regulations of this Commission. However, nothing is specified regarding the rate of the reactive energy charge for drawal / injection by the entities connected to the state grid. The Commission also observes that SLDC is not ready with requisite infrastructure for ascertaining entity wise reactive energy billing. After due consideration of the fact communicated by SLDC and the facts emerged during consultation with the SLDC personnel on 17.06.2016 at the Commission's office, the Commission suo-moto directs as below:

(i) The following intermediary arrangement are to be acted upon till preparedness of SLDC for 15 minutes time block wise reactive energy accounting in line with Grid Code is established.

(ii) This will effect from the 1st accounting week of 2016 i.e. the week starting from 04.01.2016.

(iii) The pro-rata usage at STU-CTU boundary by all the concerned entities within the State shall be determined on the basis of their absolute value of final scheduled energy (in MU) on daily basis.

(iv) SLDC, based on the ERPC reactive energy bills and the proportionate usages as worked out in (iii) above,

West Bengal Electricity Regulatory Commission
Suo-moto order of the West Bengal Electricity Regulatory Commission on the communication received from the West Bengal State Load Despatch Centre (WBSLDC) for appropriate order regarding settlement of reactive energy charge.

shall determine the amount to be paid by respective entities in the State. SLDC shall raise the bill along with detail statement of proportion of usages to each entity within 3 (three) days after the date of receipt of the bill from ERPC.

(v) The entities shall make their payment to SLDC within 7 (seven) days from the date of raising such bill by SLDC. In case of any delay, the defaulting entities have to pay simple interest @ 0.04% for each day of delay.

(vi) The payment is to be made by the concerned entities connected with the State grid through NEFT / RTGS. "SLDC-UI Fund – WBSETCL" account is to be used for this purpose till any further directives given by this Commission. SLDC shall maintain separate accounting in this regard.

(vii) All concerned entities connected to the State Grid has to open initially a irrevocable, revolving, unconditional and non-recourse letter of credit (LC) of Rs 10 Lakh (Ten Lakh) with such bank and in such manner as may be specified by the SLDC as a payment security mechanism.

Subsequently, after three weeks of operation the respective entities shall modify the LC amount on the basis of the reactive charge payable for two weeks or Rs 10 Lakh (Ten Lakh), whichever is higher.

(viii) STU shall make all endeavor for 100% interface metering in accordance with CEA (Installation &
Suo-moto order of the West Bengal Electricity Regulatory Commission on the communication received from the West Bengal State Load Despatch Centre (WBSLDC) for appropriate order regarding settlement of reactive energy charge.

operation of Meters) Regulations 2006, as amended from time to time, with all connected entities within a time bound manner. STU shall also submit a detail report in this regard to the Commission by 31.08.2016.

(ix) SLDC shall take initiative regarding their preparedness towards retrieving and compiling the reactive energy data from the ABT meter at all interconnection points at 15 minutes time block and submit a detail report in this regard to the Commission by 31.08.2016.

(x) On receipt of the information from STU and SLDC regarding their readiness as per the direction in (viii) and (ix) above, the Commission will further pass an order developing the methodology for state level reactive energy accounting.

5. Let a copy of this order be served upon to all the distribution licensees connected to State Grid under this Commission, WBSETCL (STU) and SLDC.

Sd/-

(AMITAVA BISWAS)
MEMBER

Sd/-

(RABINDRANATH SEN)
CHAIRPERSON