

Detailed Energy Accounting and Deviation Settlement Procedure

1. Introduction

- 1.1 In compliance with Regulation 11(1) of the OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025, the State Load Despatch Centre (SLDC) hereby publishes the Detailed Energy Accounting and Deviation Settlement Procedure which has been approved by the Commission.
- 1.2 This document describes the methodology that shall be followed by SLDC for energy accounting, deviation computation, billing, settlement, and reporting in accordance with the provisions of the OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025 (hereafter referred to as OERC DSM Regulations).
- 1.3 This procedure has been prepared keeping in view the regulatory provisions, operational requirements of the state grid, and the need for transparency and uniformity in deviation settlement.
- 1.4 SLDC undertakes to implement the approved procedure in letter and spirit and to ensure accurate, transparent, and timely deviation accounting and settlement in accordance with the Regulations.

2. Objective

- 2.1 The objective of this procedure is to establish a transparent, consistent, and auditable framework for deviation accounting and settlement within the State. The procedure aims to ensure accurate computation of deviations, proper determination of deviation charges, systematic accounting of pool funds, and timely settlement of payments among State Entities.
- 2.2 This procedure is also intended to provide clarity to stakeholders regarding the data sources, computational methodology, timelines, and reporting mechanisms associated with deviation settlement.

3. Applicability

- 3.1 This procedure shall apply to all State Entities whose scheduling, metering data, and energy accounting are undertaken by SLDC. These entities include sellers such as conventional generators, renewable energy generators, municipal solid waste generators,

run-of-river hydro stations, energy storage systems, and aggregators. The procedure shall also apply to buyers including distribution licensees, GRIDCO, open access consumers, and any other entity covered under the Regulations.

4. Metering and Data Acquisition

- 4.1 SLDC shall obtain energy data from Special Energy Meters (SEM) installed at all injection and drawal points.
- 4.2 Meter data shall be recorded in 15-minute time blocks or as notified by the Commission.
- 4.3 Meter Data Acquisition System (MDAS) shall be used for automated retrieval.
- 4.4 SLDC shall conduct validation checks including:
 - Data completeness
 - Time synchronization
 - Communication integrity
 - Abnormal value detection
- 4.5 Missing or corrupt data shall be substituted using check meter data or estimation methodology consistent with Grid Code provisions.

5. Scheduling Data Integration

- 5.1 SLDC shall receive Day Ahead schedules and revisions as per Grid Code timelines.
- 5.2 All schedules shall be validated for network feasibility and operational constraints.
- 5.3 SLDC shall issue final schedules applicable for settlement.
- 5.4 Schedule revisions accepted during operation shall be logged with timestamps.
- 5.5 SLDC dispatch instructions shall be binding on all State Entities

6. Data Validation by SLDC

- 6.1 SLDC shall undertake the following validation sequence before deviation computation:
 - i) Schedule verification.
 - ii) Meter data validation
 - iii) Approval of finalized energy data set for accounting.

7. Computation of Deviation

- 7.1 For each time block:

- For Sellers: Deviation = Actual Injection – Scheduled Generation
- For Buyers: Deviation = Actual Drawal – Scheduled Drawal

Deviation shall be computed in MWh and percentage terms.

7.2 Separate computation modules shall be applied for:

- General Sellers
- Wind/Solar Sellers
- Run-of-River Generators
- MSW Generators
- Energy Storage Systems
- Buyers under different volume limit categories

7.3 All computations shall be carried out using automated systems to ensure accuracy.

8. Determination of Applicable Rates

8.1 For each time block, the applicable deviation rate shall be determined in accordance with the provisions of the Regulations.

8.2 For each time block:

- i) Normal Rate (NR) shall be determined as specified in the DSM Regulations.
- ii) Reference Charge Rate (RR) shall be computed for applicable sellers.
- iii) Contract Rate shall be applied where required.
- iv) ACP values shall be sourced from NLDC publications.
- v) In case of non-availability of ACP, last available corresponding time-block ACP shall be considered.

8.3 All computed rates shall be rounded off as specified in the Regulations.

9. Computation of Deviation Charges

9.1 Deviation charges shall be computed in accordance with the applicable rate framework specified under the DSM Regulations.

9.2 SLDC shall calculate deviation charges by:

- i) Identifying entity category (general seller, WS seller, buyer, ESS, etc.).
- ii) Determining direction of deviation (over injection, under injection, over drawal, under drawal).
- iii) Applying applicable volume limits.

- iv) Applying frequency-linked price vectors and multipliers where applicable, in line with Regulation 9.
- 9.3 Special provisions relating to infirm power injection (Reg. 9(8)), start-up power drawal (Reg. 9(9)), forced outages (Reg. 9(10)), energy storage system operation (Reg. 9(5)), and high-price market transactions (Reg. 9(11)) shall be incorporated in the computation logic as specified in the Regulations.
- 9.4 Special treatment for renewable generators, Run-of-River stations, MSW plants, and ESS shall be implemented as specified in DSM Regulations.

10. Weekly Energy Accounting and Billing Cycle

- 10.1 Deviation accounting shall be carried out on a weekly basis in line with Regulation 10:
- The accounting week shall commence: Monday 00:00 hrs to Sunday 24:00 hrs.
 - By Thursday: Completion of deviation computation.
 - By Friday: Issue of weekly deviation statement to all State Entities.
- 10.2 Each statement shall include block wise: Scheduled energy, Actual energy, deviations, Applicable rates, Receivable/payable amounts on weekly basis.
- 10.3 Entities shall make payment within the timeline specified in the Regulations.

11. Operation of State Deviation and Ancillary Service Pool Account

- 11.1 SLDC shall maintain and operate the State Deviation and Ancillary Service Pool Account as specified in the Regulations. Separate accounting shall be maintained for principal deviation charges and interest components. SLDC shall maintain separate accounting for intra-state and inter-state deviations and perform periodic reconciliation of account balances.
- 11.2 Distribution of funds received under the DSM Pool Account:
- The amount shall first be reimbursed towards the inter-state deviation charges only payable by GRIDCO.
 - Thereafter, the amount shall be adjusted against the outstanding payable amount of the entity, starting with its oldest pending bill.
 - Thereafter, the remaining amount shall be adjusted against the outstanding payable amount of the entity for settlement of the current dues.

- 11.3 The utilization of surplus funds, if any, shall be carried out in accordance with regulatory provisions and Commission's approval in line with Regulation 10(9).

12. Billing and Settlement Process

- 12.1 SLDC shall publish the Deviation Charge Statements on its website, from where the beneficiaries may download the same for settlement purposes.
- 12.2 State Entities shall make payments within prescribed timelines.
- 12.3 SLDC shall monitor payment compliance.
- 12.4 Late Payment Surcharge shall be applied automatically after due date as per Regulation 12.
- 12.5 Letter of Credit requirements shall be monitored and invoked where applicable.
- 12.6 Payments to eligible entities shall be released from the Pool Account on a proportionate basis, subject to reconciliation and realization of the corresponding weekly payments from the concerned payable entities.

13. Schedule of Payment of Charges for Deviation and Late Payment Surcharge

- 13.1 SLDC shall issue weekly Statements of Charges for Deviation to all State Entities in accordance with the applicable DSM Regulations.
- 13.2 The concerned State Entity shall pay the due amount within ten (10) working days from the date of issue of the Statement of Charges for Deviation by SLDC.
- 13.3 In case of delay in payment beyond the stipulated period, Late Payment Surcharge (LPS) at the rate of 0.04% per day shall be payable on the outstanding amount for each day of delay (i.e. from 11th day onwards).
- 13.4 Any State Entity that fails to make payment within the specified time shall maintain a revolving Letter of Credit (LC) in favour of SLDC equivalent to one hundred and ten percent (110%) of its average weekly payable liability for deviations, as specified under the DSM Regulations (Reg. 12(2)).
- 13.5 In case of non-payment within the stipulated period, SLDC shall be entitled to invoke or encash the Letter of Credit of the concerned State Entity to the extent of the default, and the concerned State Entity shall recoup the LC amount within three (3) working days.

"In case the concerned State Entity fails to recoup the Letter of Credit within the stipulated period, SLDC may take appropriate action including adjustment of outstanding

dues from payable amounts, restriction of scheduling, and reporting of the default to the Commission for further necessary action."

- 13.6 SLDC shall maintain proper records of financial transactions such as payments received, Late Payment Surcharge calculations, and Letter of Credit transactions for accounting and audit purposes.

14. Reporting by SLDC

- 14.1 SLDC shall prepare and publish the following reports:

- Weekly Deviation Summaries;
- Monthly/Annual Operational Analysis Reports.

- 14.2 Any dispute, discrepancy, or query pertaining to the published bill, including but not limited to Deviation Settlement Mechanism (DSM), PAFM, Scheduled Energy, and Energy transacted, shall be notified in writing within four (4) weeks from the date of publication of the bill.

- 14.3 No claims, objections, or queries shall be entertained after the expiry of four (4) weeks from the date of publication, and the bill shall thereafter be treated as final and binding.

- 14.4 During the mock exercise period, weekly reports shall be submitted indicating deviation computation and pool account status without financial settlement.

15. Reconciliation and Adjustments

- 15.1 Any error identified after the issuance of the weekly statement shall be corrected through appropriate revision of the statement.

- 15.2 Revisions arising due to meter replacement, data correction, or dispute resolution shall be implemented through supplementary statements of the respective week.

16. Transparency and Data Availability

- 16.1 SLDC shall ensure transparency by providing relevant data in readable formats.

17. Software Platform

- 17.1 The deviation accounting and settlement shall be carried out through the "SAMAST software" platform deployed by SLDC. The software incorporates automated

computation modules, validation checks, audit trails, and role-based access controls to ensure accuracy, transparency, and regulatory compliance.

18. Mock Exercise

18.1 The mock exercise shall be conducted for a period between three (3) and six (6) months as specified in the Regulations. No financial settlement shall take place during the mock exercise period.

18.2 SLDC shall submit weekly reports during the mock exercise and incorporate feedback received from the Commission.

19. Prevention of Gaming

19.1 All State Entities shall ensure that schedules submitted to SLDC reflect a bona-fide and realistic assessment of generation capability or demand requirement. Persistent or intentional over-scheduling, under-scheduling, or misaligned scheduling practices that may result in undue commercial advantage under the Deviation Settlement Mechanism shall be discouraged. SLDC shall monitor scheduling patterns and deviations on a continuous basis and may seek clarification from concerned entities where abnormal trends are observed. Any undue benefit arising from such practices may be examined and dealt with in accordance with applicable regulatory provisions.
