

**GUIDELINE & PROCEDURE FOR RESERVATION OF TRANSMISSION /
DISTRIBUTION CAPACITY
FOR SHORT-TERM OPEN ACCESS CUSTOMERS**

1.0 **OUTLINE**

- 1.1.1 This procedure is being issued in compliance of the provisions under Regulation 12(2)(a)(ii) read with Regulation 12(2)(b) of the “ Orissa Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2005, dated 06.06.2005.
- 1.2 The Procedures shall come into force from the date of approval of the Commission.
- 1.3 The detailed procedures have been prepared as per criteria for allotment and reservation of transmission / distribution capacity as per Regulation 9 &10 of the aforesaid Regulations.

2.0 **PROCEDURE FOR “ADVANCE RESERVATION” OF TRANSMISSION/
DISTRIBUTION CAPACITY.**

2.1 **SUBMISSION OF APPLICATIONS**

- 2.1.1 All applications intended to be covered under provisions of Regulation 12(2) for advance reservation, shall be submitted separately for each transaction to SLDC as per the enclosed format. The application shall be submitted preferably in a cover marked “Application for Short-Term Open Access – Advance Reservation”.
- 2.1.2 The applications with a tenure of contract up to one day shall be processed by SLDC only if such applications are received on or before 12:00 hours of the previous day by fax followed by E-Mail.
- 2.1.3 The applications with a tenure of contract up to one week shall be processed by SLDC only if such applications are received on or before three days of the commencement of transaction up to 12:00 hours by fax followed by E-Mail.
- 2.1.4 The applications with a tenure of contract up to one month shall be processed by SLDC only if such applications are received on or before seven days of the commencement of transaction by fax followed by E-Mail.
- 2.1.5 The applications with a tenure of contract up to one year shall be processed by SLDC only if such applications are received on or before 30 days of the commencement of transaction by fax followed by E-Mail.

2.1.6 A copy of the application shall be endorsed by the applicant to the following:

- (i) Nodal officer of the concerned DISTCO involved in the transaction.
- (ii) The C.G.M. (O&M) OPTCL, Janpath, Bhubaneswar.

2.1.7 The following shall be enclosed along with the application:

- (i) Copies of the Agreements / MOUs entered between the buyer / seller / trader.
- (ii) Non-refundable application fee of Rs.5000/- in favour of SLDC through an account payee Bank Draft drawn on any Nationalized Bank payable at Bhubaneswar.
- (iii) Advance payment for one month or the period of intended transaction, whichever is less, shall be remitted through a Bank Draft in favour of SLDC payable at Bhubaneswar covering the Open Access Charges as laid down in Clause 13 of OERC (Terms & Conditions for Open Access) Regulation, 2005.
- (iv) One month charge as the security deposits (one time) to be retained by SLDC for customers availing Open Access for more than one month.
- (v) Scheduling & System Operation charges @ Rs.1000/- per day or part of the day for each transaction or as decided by the Hon' ble Commission.

2.2 PROCESSING / APPROVAL OF APPLICATIONS

2.2.1 Processing of application for Short-Term Open Access Reservation shall be done as per Regulation 12(2)(a)(iii).

2.2.2 The schedule as provided in Regulation 12 (2) (a) (iii) shall be considered for advance reservation .In case the date provided in the schedule is a “*Public Holiday*”, the day previous to the holiday shall be considered.

2.2.3

- (i) While processing the applications, SLDC shall seek the consent of each of the DISTCO/STU involved in the transaction where required.
- (ii) SLDC shall give consent to access as per Regulation 12(2)(a)(iii). In case of denial of access, SLDC shall furnish the reasons for the same.
- (iii) In case of constraint in the state system, SLDC shall decide about reduction of the MW quantum.

- 2.2.4 In case of perceived congestion in transmission / distribution corridor, SLDC shall inform the concerned DISTCO / OPTCL / STOA customers the decision of STU thereon on the reduction of quantum (MW). The applicants must inform SLDC (the nodal agency), the reduced requirement of transmission capacity during the period of congestion or opt for access only for the duration when no congestion is anticipated. In case of non-receipt of revised information in time, it is presumed that the applicant is no longer interested in revising it and SLDC will process the application as per the capacity recommended by STU
- 2.2.5 In case SLDC does not anticipate congestion on any of the transmission/distribution corridor(s) involved, the applicant(s) shall be granted short-term access for the quantum and duration sought as per Regulation 12(2)(a)(iii).
- 2.2.6 In case SLDC anticipates congestion in one or more of the transmission corridors, the short term open access shall be decided as per Regulation 9(4)(b).
- 2.2.7 SLDC shall issue transaction-wise approval (as per enclosed Format-7):
- A. From the point of injection of a seller to the injecting DISTCOs/OPTCL periphery (control area boundary) as confirmed by the SLDC, and
 - B. From the periphery (control area boundary) of injecting OPTCL/DISTCOs up to the periphery(control area boundary) of the drawee OPTCL/DISTCOs as confirmed by the SLDC.
 - C. From the periphery (control area boundary) of the drawee OPTCL/DISTCO to the point of drawal of buyer as confirmed by the SLDC/OPTCL/DISTCO.
- 2.2.8 The applicant shall pay the charges as per Para 2.1.7(iii) before the date of commencement of open access.
- 2.2.9 (i) The reserved capacity shall not be transferred by a short-term customer to any other customer.
- (ii) In case a short-term customer is unable to utilize full or substantial part of the reserved capacity reserved, he shall inform the SLDC along with reasons for his inability to utilize the reserved capacity and may surrender the reserved capacity.

- (iii) The SLDC may reduce or cancel the reserved capacity of a short-term customer when such a customer frequently under-utilizes the reserved capacity.
- (iv) The short-term customer who has surrendered the reserved capacity or whose reserved capacity has been reduced or cancelled, shall bear full transmission or distribution charges as the case may be in addition to the scheduling and system operation charges based on original reserved capacity and the period for which the capacity was reserved.
- (v) The capacity available as a result of surrender or reduction or cancellation of the reserved capacity by SLDC under Para 2.2.9 (ii) or (iii) above may be reserved for any other short-term open access customer in accordance with these regulations.

2.2.10 A non-receipt or a delayed receipt of the payment shall be considered as a “Payment Default” by the applicant.

2.3. **SCHEDULING**

- 2.3.1 The customer’s coordinator, shall coordinate with each of the nodal officers of the Utilities involved, and furnish the transaction details to each of the DISTCOs and STU involved, on a daily basis, by 11:00 hours so as to enable the SLDC to incorporate the transaction in the “day-ahead schedules” and revisions thereof for the 96 block periods. In case mismatches are found in the transaction details it will not be possible for SLDC to schedule the same and the customer shall be intimated accordingly.
- 2.3.2 SLDC shall intimate the ERLDC by 15:00 hours each day regarding their proposed Open Access transactions, transaction-wise for the next day. Modification / changes, if any, shall be conveyed latest by 20:00 hrs of the same day.
- 2.3.3 The ramp-up/ ramp-down, if required, in the daily schedules on account of such transactions, shall commence at the time of commencement of the transaction and shall end at the time of termination of the transaction.
- 2.3.4 The “Daily Schedules” finalized / issued by the SLDC shall incorporate the intra-state Open Access transaction in the drawal schedules of the DISTCOs and/or the injection schedules of the concerned generators for the 96 block periods. The SLDC shall incorporate such intra-state transactions to / from the point of injection / drawal in their respective Daily schedules issued by the SLDC.

2.3.5 During the course of the day of operation, requests for revisions of the schedules of the short-term Open Access transactions shall not be entertained by the SLDC.

2.4 Payment Mechanism

2.4.1 The applicant shall make advance payments in respect of Open Access Charges as laid down in Para 2.1.7 above.

2.4.2 In case of transaction for a period exceeding one month, the Short Term Open Access customer shall make monthly payment to SLDC latest by 11:00 hours of the working day, before beginning of the next month. No separate bill shall be issued by SLDC for the monthly payment.

2.4.3 None of the charges payable by Short-Term open Access customers and/or any other Utilities involved in the transaction shall be adjusted by them against any other payments/ charges.

2.4.4 In case of a force majeure condition (as determined and notified by the DISTCOs/ OPTCL/SLDC), DISTCOs /OPTCL/ SLDC may curtail/ suspend a scheduled transaction. The decision of the DISTCOs/ OPTCL/SLDC as to the existence of a force majeure condition shall be final and binding.

2.4.5 The energy losses shall be applied as provided under Regulation 13(1)(viii) as amended from time to time.

2.5.0 PAYMENT SECURITY MECHANISM

2.5.1 In terms of the provisions under Regulation 14(4) “payment security mechanism” specified hereunder is intended to ensure recovery of the applicable payments in case of a payment default and not as a mechanism for regular payments. The Letter of Credit provides security against payment defaults in respect of the “monthly payment” to be normally made through bank draft.

2.5.2 When the duration of access granted exceeds one month the customer shall open a monthly irrevocable revolving Letter of Credit (LC), corresponding to the short term open

access charges for 31 days or the duration beyond one month, whichever is shorter, as per Regulation 14(4) in favour of SLDC payable at Bhubaneswar.

- 2.5.3 The LC shall be opened in a Bank mutually agreed between the customer and SLDC.
- 2.5.4 The LC shall be opened within seven (7) days of commencement of open access transaction.
- 2.5.5 The LC shall be valid for the entire duration of the transaction.
- 2.5.6 The LC shall be negotiated by the SLDC on the basis of the “Schedule of the Payment” enclosed with the approval as and when the customer fails to remit the monthly payment in full by its due date.
- 2.5.7 In case the LC is not timely negotiated, the responsibility lies with the customer and the same shall be treated as “payment default”.
- 2.5.8 Terms of LC shall be as per the format enclosed.

2.6.0 **BIDDING PROCEDURE**

- 2.6.1 In terms of the provisions of Regulation 9(4)(b) on Open Access, whenever the capacity sought to be reserved by the Applicants, for a particular day or part thereof is more than the surplus transmission/distribution capacity available, the SLDC shall invite bids from such applicant through E-Mail.
- 2.6.2 Bidding process and the reservation of capacity to the bidders shall be as per provision under Regulation 9(4)(b).
- 2.6.3 Bids shall be invited for only such period (in the multiple blocks of whole day) during which congestion is expected to occur.
- 2.6.4 The decision of the SLDC in respect of an expected congestion shall be final and binding.
- 2.6.5 The Applicants shall submit their ‘bid’ by E-Mail / Fax to SLDC.

- 2.6.6 The bids shall be accepted up to the “bid closing time” indicated in the bidding invitation format.
- 2.6.7 Modification / amendment to a bid, once submitted, including submission of a second or subsequent bid by an Applicant shall not be accepted.
- 2.6.8 The Bid price should be quoted in terms of percentage points above the floor price subject to a minimum 100%. The floor price for the bidding shall be equal to ST_ rate to be decided by the Hon’ble Commission as per Regulation 9(4)(b).
- 2.6.9 In case any of the Applicants choose not to submit a bid, his application for open access shall be treated as cancelled and will not be processed. The transmission/ distribution capacity becoming available as a result of non-participation in bidding shall be reserved for any other short term customer in accordance with relevant provisions of regulations on Open Access.
- 2.6.10 No requests for extension of the time/date for submission of the bids shall be entertained by the SLDC.
- 2.6.11 SLDC reserves the right to reject an in-complete/vague bid and/or not found to be in conformity with these procedures/regulations on Open Access.

3.0 GENERAL

- 3.1 Any amendment/modification to an existing application except those specifically mentioned in the procedure, shall be treated as a fresh application.
- 3.2 The “month” means a Calendar month as per the British Calendar as provided under Clause (ga) of Regulation 2 of CERC(Open Access in Inter-State Transmission)(First Amendment) Regulation, 2005.
- 3.3 The “day” means a day starting at 00:00 hrs and ending at 24:00 hrs as provided under Clause (ca) of the Regulations 2 of CERC(Open Access in Inter-State Transmission)(First Amendment) Regulation, 2005. For example in the application of reservation for the time

period 23:00 hrs to 05:00 hrs, the reservation of capacity shall be from 23:00 hrs to 24:00 hrs in one block and 00:00 hrs to 05:00 hrs in another block and short term charges shall be payable accordingly.

- 3.4 The duration of reservation in a day / block shall be continuous based on which the short term transmission charges shall be applicable. For example in the application of reservation for the time period 08:00 hrs to 10:00 hrs and 17:00 hrs to 21:00 hrs of the day, the reservation of the capacity shall be from 08:00 hrs to 10:00 hrs in one block and 17:00 hrs to 21:00 hrs in another block and short term charges shall be payable accordingly.
- 3.5 In case of varying capacity reservation sought over the same time block / day, the highest capacity sought to be reserved shall be considered for capacity for reservation and charges shall be regulated accordingly.
- 3.6 The short-term customers who have not been granted the reservation of transmission capacity, their applications shall stand disposed off. The applicants shall be intimated about the same by the SLDC.
- 3.7 All costs/expenses/charges associated with Bank Draft/Letter of Credit shall be borne by the applicant/customer.
- 3.8 An incomplete / vague application and an application not found to be in conformity with these procedures/Regulations shall be rejected.
- 3.9 In accordance with Regulation 16, when because of transmission constraint or otherwise, it become necessary to curtail the transmission service of the transmission customers, the Short Term customer shall be curtailed first followed by the Long Term customer. Provided that within a category, all users shall have same curtailment priority and shall be curtailed pro-rata to the reserved transmission capacity in case of short term customers.
- 3.10 The Reactive power charges shall be paid by the open access customers who draw reactive power from Grid as may be determined by the Hon'ble Commission from time to time.

3.11 If the open access customer draws power in variance with the agreed schedule for drawal under the open access arrangement the customer shall pay the UI charges applicable under intra-state ABT to the extent of variation from the agreed schedule, as decided by the Hon'ble Commission from time to time.

3.12 PAYMENT DEFAULT

3.12.1 In case of payment default the customer shall be liable to pay the outstanding payment in full along with Delayed Payment Surcharge (DPS) @ 0.1% per day from the due date of payment to the actual date of payment. The DPS so received shall be retained by SLDC/OPTCL/DISTCO on pro-rata basis.

3.12.2 Also, any new application of such customers shall be entertained by SLDC only after the receipt of outstanding payment along with surcharge.

3.12.3 In case of non-payment of STOA charges through LC or otherwise, STOA transaction shall be terminated with due intimation to STOA customer.

3.13 DISBURSAL OF PAYMENT

3.13.1 SLDC shall invoice the customer on behalf of the concerned licensees and the customer shall pay the charges to the licensees directly. Further it will reconcile the short-term open access charges collected during the previous month.

3.13.2 Payments received by the licensees should be communicated by the licensees to the SLDC.

3.14 The applicant/customer shall indemnify at all times and shall undertake to indemnify, defend and save each of DISTCOs / OPTCL and SLDC from any and all damages, losses, claims and actions including those relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the transactions.

3.15 The applicants shall abide by the provisions of the Electricity Act 2003, IEGC, Orissa Grid Code and OERC Distribution (Conditions of supply) Code as amended from time to time.
