



Before the Tamil Nadu Electricity Regulatory Commission Chennai

Order No. 1 of 2024, dated 22-01-2024

Present:	Thiru M.Chandrasekar	-	Chairman
	Thiru K.Venkatesan	-	Member
	Thiru B.Mohan	-	Member (Legal)

In the matter of : Commercial operation of Deviation Settlement Mechanism for the generators other than wind and solar generating stations connected to Intra-State Transmission system and Distribution System with effect from 01-04-2024

The Commission had notified the Tamil Nadu Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 on 01-03-2019. The Commercial operation of imposing penal actions for the deviations which should have come into force six months after commencement of these Regulation has not come into force till date, since the licensee was not ready in various aspects especially in communicating and transfer of data from the meters. Further, the Commission had already approved the procedure in operationalizing the said Regulations.

2. Earlier, the Central Commission had notified the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 and its amendments from time to time prescribed the deviation charges worked out on the average frequency of a time-block, which is applicable for inter-state transaction of power. Meanwhile, the Central Commission vide Notification No.L-1/260/2021/CERC, date 14-03-2022 repealed the above 2014 Regulations and notified new Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022.

3. The Central Commission while repealing the above said 2014 Regulations has dispensed with the concept of frequency linked deviation charges and introduced the new concept of charges for deviation. As per the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022, the normal rate of charges for deviation for a time block shall be equal to the highest of [the weighted average Area Clearing Price (ACP) of the Day Ahead Market segments of all the Power Exchanges; or the weighted average ACP of the Real Time Market

segments of all the Power Exchanges; or the Weighted Average Ancillary Service Charge of all the regions] for that time block.

4. While so, the Commission is in the process of notifying the Tamil Nadu Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement and related matters for Wind and Solar Generation) Regulations, 2024 duly repealing the existing Regulations (2019) in view of operational efficiency and flexible enforcing mechanism of deviation settlements.

5. In line with the above, the Commission has now decided to implement the Commercial operation of the Tamil Nadu Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 with effect from 01-04-2024. Based on the implementation experiences of the above Regulation in the State, review of the Tamil Nadu Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 will be undertaken by the Commission after consulting the views of all the stakeholders.

6. Accordingly, SLDC is directed to adhere the Regulations and the procedure already approved by the Commission in this regard without any deviation and start the commercial operation of TNERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 with effect from 01-04-2024 and necessary compliance report shall be sent to the Commission at the earliest.

Further, it may be noted that non constitution of the State Power Committee due to any reason shall not be a ground for non implementation of this Regulation.

(By order of the Commission)

Sd/-
Secretary,
Tamil Nadu Electricity Regulatory Commission

To

1. The Chairman, TANTRANSCO
2. The Chairman cum Managing Director/TANGEDCO,