

No. 23/22/2019-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 9th August, 2019

To

CMD,
POSOCO
New Delhi

Subject: Compliance of Ministry of Power order dated 28.6.2019 and its subsequent amendments.

Sir,

This has reference to the Order dtd 28.06.2019 issued by Ministry of Power on subject "Opening and maintaining of adequate Letter of Credit as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and its corrigendum dated 17.7.2019. A Procedure for scheduling of Power to Distribution Company in the event of Non-maintenance of Letter of Credit has been issued on 17.7.2019. A clarification has also been issued on 23rd July, 2019 to all stakeholders regarding applicability of Order dated 28.6.2019 and its Corrigendum dated 17.7.2019.

2. As per Para (a) of the Scheduling procedure dtd 17.07.2019, Power will be scheduled for dispatch only after a written intimation is given to the appropriate Load Despatch Center (LDC) i.e. NLDC/RLDC/SLDC that Letter of Credit (LC) for the desired quantum of power w.r.t the generating stations has been opened. The intimation shall also specify the period of supply. The intimation of requisite LC having been opened will be given by the Distribution Company and will be confirmed by the generating company. Respective RLDC and SLDCs are required to implement the above procedure.

3. In this regard, following Sections of Electricity Act 2003 may please be referred:

(i) Section 29 of the Electricity Act provides that the Regional Load Despatch Centre may give such directions and exercise such supervision and control as may be required for ensuring stability of grid operations and for achieving the maximum economy and efficiency in the operation of the power system in the region under its control.

(ii) As per Section 29(3), all directions issued by the Regional Load Despatch Centres to any transmission licensee of State transmission lines or any other licensee of the State or generating company (other than those connected to inter State transmission system) or sub-station in the State shall be issued through the State Load Despatch Centre and the State Load Despatch Centres

shall ensure that such directions are duly complied with the licensee or generating company or sub-station.

(iii) Section 33 (3) of the Act provides that the State Load Despatch Centre shall comply with the directions of the Regional Load Despatch Centre.

4. In view of above, suitable directions may be issued by the RLDCs to respective SLDCs for compliance of the Ministry of Power Order dated 28.06.2019 and its subsequent amendments. SLDCs may also be requested to submit the Status Report on daily basis on the implementation of MOP Order dated 28.06.2019 and its subsequent amendments.

Yours faithfully,



(Debranjana Chattopadhyay)
Under Secretary to the Government of India
Ph: 011-2373 0265

Copy to:

1. Secretary/Principal Secretaries (Energy) of All States
2. Chairperson, CEA
3. Heads of All Distribution Companies
4. Heads of RLDCs/SLDCs
5. Member Secretary (RPC)
6. Secretary, MNRE