

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

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 17th July, 2019

To,

1. CMD, POSOCO / Heads of NLDC/RLDCs/SLDCs
2. Principal Secretary/Secretary (Power/Energy), State Governments/UTs
3. All Generating Companies
4. All Distribution Companies
5. Secretaries of All State Electricity Regulatory Commissions (SERCs)/JERCs.

Subject: Procedure for Scheduling of Power to Distribution Company in the event of Non-maintenance of Letter of Credit.

Sir,

Reference this Ministry's Order of even no. dated 28.06.2019 regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees.

2. A Procedure has been devised for Scheduling of Power to Distribution Company in the event of Non-maintenance of Letter of Credit. All the concerned authorities are requested to follow this Procedure which has been enclosed herewith.
3. For compliance by all stakeholders.

Encl: As above

Yours faithfully



(Debranjana Chattopadhyay)

Under Secretary to the Government of India

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Copy to:

1. Chairperson, CEA, Sewa Bhawan, RK Puram, New., Delhi
2. Secretary, CERC/FOR, Chandralok Building, Janpath, New Delhi

Copy also for information to:

1. All Joint Secretaries, Ministry of Power
2. PS to MOS (I/C) for Power and NRE
3. PPS to Secy.(P), PPS to AS(SNS), PPS to CE(RR), Dir (R&R)

17th July, 2019

Procedure for Scheduling of Power to Distribution Company in the event of Non-maintenance of Letter of Credit

Ministry of Power, Government of India, vide Order no. 23/22/2019-R&R dated 28th June, 2019 has issued directions regarding opening and maintaining of Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Companies. This Procedure has been laid in accordance with the provisions of the Electricity Act 2003.

In light of these directions of the Government, the procedure for scheduling of power is modified as follows:

- (a) 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 wrt 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.
- (b) The LC may be opened as per the PPA. However, the Distribution Company may open LC for a shorter duration say for supply corresponding to one week or fortnight. The same may be intimated to the respective LDCs and the generating company. In such cases also the LDCs shall schedule the power.
- (c) In case of difficulty in opening of LC, Distribution Company may pay in advance through electronic mode the amount equal to the amount corresponding to atleast one day's purchases of electricity and inform the same to the respective LDC. In such a case also LDC shall schedule the power to the Distribution Company. The quantum of power so scheduled shall be limited to the quantum for which the money has been deposited.

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- (d) In case of non-maintenance of adequate LC or advance payment with respect to the generating station by the distribution company, the power supply from the generating station shall not be scheduled by the appropriate LDC to the concerned distribution company.
- (e) The RLDC and/or SLDC, may temporarily review the schedule of power supply under this direction for maintaining the grid security, if any.
- (f) The generating company or distribution company shall inform the appropriate LDC as soon as the Letter of Credit (LC) for the desired quantum has been opened/renewed or advance equal to one or more day's supply has been deposited. The power supply to the distribution company shall be restored at the earliest but not later than one day.
- (g) During this period of non-scheduling of power supply, the generating station shall continue to give scheduling related information as per the Grid Code through the web based scheduling software by 6 A.M every day on a day ahead basis.
- (h) By 8 A.M., RLDCs/SLDCs shall publish a list of entities of their respective region along with details of corresponding quantum of non-scheduling of power in their website. RLDCs/SLDCs while scheduling power to the beneficiaries shall restrict the schedules of the concerned distribution company.
- (i) The generating station and the distribution company shall adhere to the schedules and shall avoid deviations so as to ensure secure grid operation.
- (j) In the case of regulation of power supply being implemented, NLDC shall also exclude such generating station from Reserve Regulation Ancillary Services (RRAS).
- (k) It shall be ensured by the concerned LDC that such entity, during the period of non-scheduling of power on account of Non opening of LC or advance payment, has no access to procure power from the Power Exchange(s) and they shall not be granted Short Term Open Access (STOA).

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