

MONDAY | 02 OCTOBER 2023

Case Update



CENTRAL COMMISSION DIRECTS PROVISIONS OF THE NEW GRID CODE NOT TO BE APPLICABLE ON DAMODAR VALLEY CORPORATION



In a special hearing conducted on 29.09.2023, Central Electricity Regulatory Commission (“CERC”), directed that there will be a status-quo with respect to scheduling by the DVC from its generating stations under the new Grid Code i.e., CERC (Indian Electricity Grid Code) Regulations, 2023 (“IEGC 2023”) and the provisions of CERC (Indian Electricity Grid Code) Regulations, 2010 (“IEGC 2010”) will continue.

The Central Electricity Regulatory Commission (“CERC”), in a special hearing held on September 29, 2023, directed that there will be a status quo with respect to scheduling by the DVC from its generating stations under the new Grid Code, i.e., CERC (Indian Electricity Grid Code) Regulations, 2023 (“IEGC 2023”), and the provisions of CERC (Indian Electricity Grid Code) Regulations, 2010 (“IEGC 2010”) will continue.

Under the previous regime, DVC has been scheduling the load in the Control Area of the DVC through DVC SLDC, including the scheduling from the generating stations therein. However, in the IEGC, 2023, i.e., applicable from 01.10.2023, there is a change in the historical treatment of the Petitioner from being treated similarly to a State Electricity Board to being treated as a Regional Entity, which is contrary to its status as a vertically integrated entity by virtue of the DVC Act, 1948.

Further, a change in DVC status would result in an exponential increase in DVC transmission charges to the tune of Rs. 500 crores, even if DVC used its own assets (ICTs) for a substantial share of power drawl.

Accordingly, DVC had sought relaxations of Regulations 43(9), 45(5)(a)(v) & (vi) of the IEGC, 2023 on the account of change in historical treatment of DVC in IEGC, 2023. DVC also stated that as IEGC 2023 is coming into the force w.e.f. 01.10.2023 and it would not be possible for the Petitioner to transfer the Control Area jurisdiction of its generating stations to RLDC in such a short span.

Considering the difficulties being faced by DVC, CERC directed that there will be a status-quo with respect to the scheduling by DVC from its generating stations and the other associated aspects till the next date of the hearing. After this Order, DVC will continue to schedule the power of its generating stations through its own SLDC without incurring any additional charges.

DVC was represented by SKV Law Offices’ team led by Mr. Shri Venkatesh (Managing Partner), Mr. Bharath Gangadharan (Senior Associate) and Mr. Nihal Bhardwaj (Associate).

Read the order [here](#).