

DELHI ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Dated: 27/12/2019

F.3(551)/Tariff-Engg./DERC/2018-19/6195 - In exercise of the powers conferred by Sections 181 (1) and 181 (2) (zp) of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf and after previous publication, the Delhi Electricity Regulatory Commission hereby makes the following Regulations, namely:-

1. SHORT TITLE AND COMMENCEMENT

- (1) These Regulations shall be called *Delhi Electricity Regulatory Commission (Power System Development Fund) Regulations, 2019*.
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette.

2. DEFINITIONS

- (1) In these Regulations, unless the context otherwise requires:
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003), including amendments thereto;
 - (b) "Appraisal Committee" shall mean the Committee constituted by GoNCTD, Department of Power for the purpose of scrutiny (techno-economic appraisal) and prioritization of various project proposals for funding from PSDF and such other functions relating to PSDF as may be assigned;
 - (c) "Commission" means the Delhi Electricity Regulatory Commission;
 - (d) "Detailed Procedure" means the procedure prepared by the Nodal Agency, with the approval of the Monitoring Committee, for implementation and administration of PSDF in accordance with these Regulations and as per the scheme for operationalization of PSDF notified by Department of Power, GoNCTD.
 - (e) "Deviation Settlement Charges" has the same meaning as assigned to it in the Deviation Settlement Mechanism Regulations of Central Electricity Regulatory Commission;
 - (f) "Deviation Settlement Mechanism Regulations" means the *Central Electricity Regulatory Commission (Deviation Settlement and related matters) Regulations 2014* as amended from time to time and subsequent enactment thereof;
 - (g) "GoNCTD" means Government of National Capital Territory of Delhi

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- (h) "Grid Code" means the *Delhi Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations 2008*, as amended from time to time and any subsequent enactment thereof;
 - (i) "Monitoring Committee" shall mean the committee constituted by GoNCTD, Department of Power for the purpose of sanctioning of projects, release of funds from PSDF and overall supervision and monitoring of the implementation of projects and such other functions as may be assigned;
 - (j) "Nodal Agency" means the agency as designated under clause (1) of Regulation 5 of these Regulations;
 - (k) "PSDF" means the Power System Development Fund constituted under Regulation 3 of these Regulations;
- (2) Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these Regulations and not defined, but defined in the Act, or the Regulations made there-under by the Commission, shall have the meanings assigned to them respectively in the Act or the Regulations.

3. CONSTITUTION OF THE POWER SYSTEM DEVELOPMENT FUND

- (1) There shall be constituted a fund to be called the "Power System Development Fund" or "PSDF" and there shall be credited thereto. -
- (a) Deviation Settlement Charges standing to the credit of the "State Deviation Pool Account Fund" after final settlement of claims in accordance with Deviation Settlement Mechanism Regulations;
 - (b) Such other charges as may be notified by the Delhi Electricity Regulatory Commission from time to time.
- (2) The agencies which are authorized to collect Deviation Settlement charges under the respective Regulations and such other charges as may be notified by the Central Electricity Regulatory Commission and/or Delhi Electricity Regulatory Commission from time to time, shall transfer to the credit of the Fund the balance amounts in the charges under sub-clauses (a) & (b) of clause (1) of this Regulation on monthly basis.
- (3) The PSDF shall be maintained and operated by Delhi, SLDC. All amounts that would accrue into the fund as per clause (1) of Regulation 3 and also the amounts lying accumulated to this account and not transferred to PSDF till the issue of this Regulations, shall be transferred to PSDF.

4. UTILIZATION OF PSDF

- (1) PSDF shall be utilized mainly for the following purposes:
 - (a) Transmission systems of strategic importance based on operational feedback by State Load Despatch Centre, Delhi for relieving congestion in intra -State Transmission Systems.
 - (b) Installation of shunt capacitors, series compensators and other reactive energy generators including reactive energy absorption and dynamic reactive support like Static Var Compensator (SVC) and Static Synchronous Compensator (STATCOM) for improvement voltage profile in the Grid.
 - (c) Installation of special protection schemes, pilot and demonstrative projects, standard protection schemes and for setting right the discrepancies identified in the protection audits.
 - (d) Renovation and Modernization (R&M) of transmission system of Delhi for relieving congestion.
 - (e) Any other scheme/ project in furtherance of the above objectives such as technical studies, capacity building, installation of Phasor Measurement Unit (PMU), hardware/software for upgradation of SLDC, Smart Grid initiatives, Energy Storage, Demand Side Management etc.
- (2) PSDF may also be utilized for the projects proposed by distribution utilities in the above areas which are either incidental to intra-state transmission system or have a bearing on grid safety and security, provided that these projects are not covered under any other scheme of GoNCTD.
- (3) Prioritization shall be done mainly on the criteria of the schemes in the following order
 - (i) addressing grid security concerns;
 - (ii) being of State importance;
 - (iii) being in the order of Multi utility/Regional importance;
 - (iv) being inter-state in nature.

5. NODAL AGENCY AND ITS FUNCTIONS

- (1) State Load Despatch Centre (SLDC) of Delhi shall be the Nodal Agency for the implementation of the scheme under these Regulations.
- (2) The Nodal Agency shall perform the following functions: -
 - (a) Act as Secretariat to the Monitoring Committee and the Appraisal Committee.
 - (b) Prepare a Detailed Procedure for release and disbursement from PSDF consistent with the procedure approved by the Monitoring Committee from time to time.

- (c) Keep the Record of Business transacted at each meeting of the Appraisal Committee and the Monitoring Committee.
- (d) Prepare detailed procedure for preparation of Budget, Accounting of receipts/ disbursements from PSDF and Audit with the approval of the Monitoring Committee.
- (e) Prepare Annual Report of PSDF.
- (f) Perform such other functions as may be assigned by the Monitoring Committee and the Appraisal Committee.

6. APPRAISAL COMMITTEE

There shall be an Appraisal Committee under the Chairmanship of Secretary, Department of Power (GoNCTD) for scrutiny (techno-economic appraisal) and prioritization of the various projects proposals for funding from PSDF in line with Regulation (4) of these Regulations and such other functions as may be assigned by the Monitoring Committee. The Appraisal Committee shall also consist of Executive Director (Engineering/Tariff) of DERC, Managing Director (DTL), Executive Director (SLDC) and two members nominated by Chairperson of the Commission, each representing the Distribution Licensees and the Generating Companies.

Provided that the member representing the Distribution Licensees shall not be below the rank of Chief Executive Officer and in the case of Generating Companies he shall not be below the rank of Executive Director.

7. MONITORING COMMITTEE

Department of Power (GoNCTD) shall constitute an Inter-Departmental Monitoring Committee under the Chairmanship of Member of the Commission be known as Monitoring Committee and shall also consist of representatives from the Department of Power (GoNCTD) and Department of Finance (GoNCTD). The Executive Director (SLDC) shall be the Member-Secretary of the Committee.

The Monitoring Committee will consider such projects (or their revised costs) for sanction based on the recommendation of the Appraisal Committee and communicate Delhi Electricity Regulatory Commission that such projects are in line with the principles defined in these Regulations and have been prioritised in accordance with the principles envisaged in these Regulations. Based on the sanctions by the Monitoring Committee, the funds will be released to the project entities from PSDF. This Committee will also supervise and monitor the implementation of various

projects sanctioned by it. Release of funds from PSDF will be regulated as per the extant instructions of the Department of Finance (GoNCTD) in this regard. The release of funds to Nodal Agency from the PSDF for further disbursement to project entities will be made after exercising requisite expenditure control, such that the scheme has adequate funds provisioned for payment of DSM charges to intra-state entities and Northern Region Load Despatch Centre.

8. PROCEDURE FOR APPLICATION, SCREENING, APPRAISAL, MONITORING, SANCTION etc OF PSDF

- (1) The State Power Committee, Generating Companies, Transmission Licensee, Distribution Licensees, Delhi Load Despatch Centre, as the case may be, shall furnish necessary details of the projects, schemes or activities to the Nodal Agency.
- (2) The Nodal Agency shall place these projects or scheme or activities for techno-economic scrutiny by the Appraisal Committee.
- (3) After scrutinizing the proposals, the Appraisal Committee shall submit its Appraisal Report and recommendations in writing to the Nodal Agency, and to the project entity who has submitted the proposal.
- (4) The Nodal Agency will approach the Commission, along with the recommendations of the Appraisal Committee, for ascertaining that the projects / scheme(s) / activities are covered within the scope of these Regulations.
- (5) The Commission, on receipt of such reference, will look into the following aspects:-
 - (a) Whether the proposed projects / schemes / activities are in line with the purposes defined in these Regulations;
 - (b) Whether the proposed scheme(s) have been prioritized in accordance with the principles envisaged in these Regulations.
- (6) If the conditions specified in clause (5) of this Regulation are satisfied, the Commission shall communicate to the Nodal Agency that the proposed projects are in line with the principles defined in these Regulations and have been prioritised in accordance with the principles envisaged in these Regulations.
- (7) The details of the project cost will be examined by the Commission only at the time of filing of Tariff Petition by the project entity to ensure, inter alia, that the tariff in respect of such project / scheme is not claimed for the portion of grant from PSDF.
- (8) Based on the communication received in this regard from the Commission, the Nodal

Agency shall approach the Monitoring Committee for sanction of the fund from the PSDF.

- (9) The utilities receiving assistance from PSDF shall maintain separate head of accounts for PSDF in their Audited Accounts.

9. ASSISTANCE PATTERN

The funding will be made as a grant, subject to availability of funds. The quantum of grant shall depend on the strategic importance and the size of the project and shall be considered for release as per these Regulations. Detailed guidelines in this regard shall be prepared by the Monitoring Committee.

10. EXECUTION, OPERATION & MAINTENANCE OF THE ASSETS

The project entity shall be responsible for the execution as well as Operation & Maintenance of the projects during its useful life. Operation and Maintenance of the Project/scheme shall be governed in accordance with the *Delhi Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017*, as amended from time to time or any subsequent enactment thereof.

11. PREPARATION OF BUDGET, ACCOUNTS AND OTHER RECORDS

Preparation of Budget, Accounting of Receipts/ disbursements from PSDF, Utilization Certificates, and Audit etc. shall be governed in accordance with the provisions made in the Detailed Procedure in this regard.

12. IMPLEMENTATION, MONITORING AND CONTROL OF PROJECTS/ SCHEMES

- (a) The State Power Committee, State GENCOs, State Transmission Utility (STU), Distribution Licensees of Delhi, State Load Despatch Centre, will be the Implementing Agencies.
- (b) The Appraisal Committee in consultation with Department of Power, GoNCTD will evolve a mechanism to evaluate the implementation of projects by laying down objective quantifiable financial and technical outcome parameters for each category of projects funded under the project / scheme.
- (c) The Monitoring Committee will supervise and monitor the implementation of projects on the basis of the mechanism evolved and on such other parameters as deemed fit by the Monitoring Committee.

13. ANNUAL REPORT

The Nodal Agency shall publish the Annual Report of the fund for each financial year giving, inter alia, details of the projects undertaken during the year, their Balance

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Sheets and Audited Accounts; and shall submit the same to GoNCTD and to the Commission. The Annual Report shall also be laid on the table of Legislative Assembly through the Department of Power, GoNCTD.

14. POWERS TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these Regulations or the Act, do or undertake to do things or direct the Licensee to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.

15. POWER OF RELAXATION

The Commission may in public interest and for reasons to be recorded in writing, relax any of the provision of these Regulations

16. INTERPRETATION

If a question arises relating to the interpretation of any provision of these Regulations, the decision of the Commission shall be final.

17. SAVING OF INHERENT POWERS OF THE COMMISSION

Nothing contained in these Regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of the matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these Regulations.

18. ENQUIRY AND INVESTIGATION

All enquiries, investigations and adjudications under these Regulations shall be done by the Commission through the proceedings in accordance with the provisions of the *Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001* as amended from time to time.

19. POWER TO AMEND

The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision of these Regulations by amendment.

Sd/-
Mukesh Wadhwa
Secretary, DERC