

**JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE UT OF J&K AND THE UT OF LADAKH.
DRAFT NOTIFICATION**

Jammu, the _____ 2023

No.--JERC-JKL/REG/2023.....: In exercise of the powers conferred under Section 86(1)(b) read with Section 181 of the Electricity Act, 2003 (Act No. 36 of 2003) (hereinafter referred to as the 'Act'), and all other powers enabling it in this behalf, the Joint Electricity Regulatory Commission for the UT of J&K and UT of Ladakh hereby makes the following Regulations.

1: Short Title, Commencement, and Extent

- 1.1 These Regulations shall be called the “Joint Electricity Regulatory Commission for the UT of J&K and the UT of Ladakh (Guidelines for Load Forecasts, Resources Plans, and Power Procurement Process) Regulations, 2023.
- 1.2 These Regulations shall apply to Jammu and Kashmir Power Corporation Ltd (JKPCL) and all the Distribution Licensees in the territory of the UT of Jammu & Kashmir and the UT of Ladakh and shall be applicable to all inter/intra state purchases of power from conventional and renewable sources made or proposed to be made by JKPCL or by any Distribution Licensees.
- 1.3 These Regulations shall come into force from the date of their publication in the Official Gazette.

2: Definitions

- 2.1 In these Regulations, unless it is repugnant to the context:
 - a. "Act" means the Electricity Act, 2003 (36 of 2003);
 - b. “**Commission**” means the Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh;
 - c. “**JKPCL**” means the Jammu and Kashmir Power Corporation Ltd, who procures power on behalf of the Distribution Licensees operating in the UT of Jammu & Kashmir and the UT of Ladakh;
 - d. “**Long-term power procurement**” means Procurement of power under any arrangement or agreement with a term or duration exceeding seven years;
 - e. “**Medium-term power procurement**” means Procurement of power under any arrangement or agreement with a term or duration exceeding three months but not exceeding five years;
 - f. “**Month**” means a calendar month as per the British Calendar;
 - g. “**Power Exchanges**” mean any Exchanges operating as power exchanges for electricity in terms of the guidelines issued by the Central Electricity Regulatory Commission;
 - h. “**Power Purchase Agreement (PPA)**” means the agreement entered into between the Procurer(s) and the Seller pursuant to which the Seller shall supply power to the Procurer(s) as per the terms and conditions specified therein;
 - i. “**Power Sale Agreement (PSA)**” shall mean the back-to-back agreement entered into between the Buying Entity(s) and the Intermediary Procurer/trader for the onward sale of power purchased under any power purchase agreement;
 - j. “**Short-Term Power Procurement**” means Procurement of power under any arrangement or agreement with a term or duration less than or equal to three months; and
 - k. “**Year**” means the financial year commencing on 1st April of the calendar year and ending on 31st March of the subsequent calendar year;
- 2.2 Unless the context otherwise requires, the words and expressions in these Regulations shall bear the same meaning as defined in the Electricity Act, 2003 (No. 36 of 2003), and Regulations notified by the Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh and amendments thereof.

3: Power Procurement Plan

- 3.1 The Distribution Licensee along with JKPCL shall prepare the power procurement plan for a period of 5 years with due regard to the requirement of electricity in its area of supply. The plan may include long-term, medium-term, and short-term sources of power purchase, as per demand-supply position, in accordance with these Regulations.
- 3.2 The Power Procurement plan presents a framework for long-term forecasting of power demand, energy requirement, and supply positions and the need for the development of Long/ Medium/Short Term Power purchase agreements/arrangements with:
 - a. State-owned old as well as new generation sources;
 - b. Central sector plants;

- c. Independent power producers (IPP);
- d. Captive Power Plants;
- e. Power Trading Companies;
- f. Power Market; and
- g. Any other source.

4: Framework for Power Procurement Planning

4.1 The Distribution Licensee in consultation with JKPCCL for the MYT control period shall submit the Power Procurement Plan along with necessary supporting documents for approval as a part of the Business Plan:

The Power Purchase procurement plan, as submitted under the Business plan, shall be submitted as a part of the ARR petition to be filed by the Distribution licensee every year;

4.2 The 5-year power procurement plan would comprise the following:

- a. Monthly and yearly demand projection (MW) and energy requirement (MU) for each year;
- b. Forecast of monthly and yearly availability from state-owned stations and purchases from all stations or sources with which the Licensee has long-term/medium-term PPAs;
- c. Assessment of the demand-supply deficit considering peak, and off-peak periods (as per daily/monthly 24-hour load curve) and plans to bridge the deficit and resource planning accordingly;
- d. Quantum of purchase to be made from Renewable Energy Plants considering the approved RPO trajectory to meet the RPO requirement as specified in the relevant regulations;
- e. The power procurement plan shall also include a plant-wise yearly estimate for the cost of power purchase including transmission and other incidental charges:

Provided that power purchase cost shall be allowed in Retail Supply Tariff after exercising prudence check as per provisions in prevailing MYT Regulations read with other relevant Regulations;

f. The demand forecast and assessment of availability shall be as detailed in Regulations 4.4 to 4.15 below.

4.3 While examining the plan the Commission may call for such additional information and data as it may deem necessary for reviewing the Power Procurement Plan and the Distribution Licensee / JKPCCL shall furnish such information, as and when required by the Commission and during technical validation, the licensee shall demonstrate the power procurement forecast methodology.

A. Demand and Energy Forecast:

4.4 The assessment shall be based on trends and statistical analysis of historical data, future projections, and forecasted results of the implementation of business plans.

4.5 The demand and energy forecast shall be prepared considering the following:

- a) Category-wise monthly energy consumption and monthly & yearly energy requirement forecast based on the year-on-year growth/Compound Annual Growth Rate (CAGR) for the past period and time series analysis.
- b) Overall economic growth projections;
- c) Change in number of consumers for categories, expected increase in connected load (kW), applications for load enhancement/load reduction/new connections/disconnections, and the month-wise energy consumption for each consumer category;
- d) The impact of the possible switchover of consumers to open access and captive generation;
- e) Impact of Storage capacities including Batteries, Pump Storage systems, Electric Vehicle charging stations, etc.;
- f) Impact of decentralized renewable energy plants set up under various initiatives;
- g) Impact due to new schemes implemented by UT Govt/Central Government;
- h) The effect of important festivals, working days or non-working days, the impact of Peak and Off-peak hours load pattern, hours of operation, and seasonal variations, cropping pattern, rainfall pattern, etc;
- i) Standards to be maintained with regard to quality and reliability of supply, in accordance with the relevant Regulations of the Commission;
- j) Measures taken and proposed for energy conservation, energy efficiency, and Demand Side Management;

4.6 The Distribution Licensee(s) may follow the methodology adopted by the Central Electricity Authority (CEA) or any other method like econometric analysis for forecasting.

4.7 The Licensee shall carry out Load Research studies of various consumer categories to understand their diurnal consumption pattern and how diversity in their usages helps in flattening the demand curve.

B. Assessment of Availability:

4.8 The Distribution Licensees along with JKPCCL shall carry out technology/fuel-wise categorization of existing generation capacity and any pipeline capacity which has been planned to be added to get an optimal energy mix to meet the rise in energy demand.

- 4.9 The Distribution Licensees along with JKPCCL shall develop a resource plan with different scenarios for RE integration with conventional power sources and the adoption of different storage technologies to meet the peak load during high-demand seasons.
- 4.10 The Plant Availability (PAF) of the State Thermal power plants shall be considered on the basis of past patterns. In the case of Central Generating stations, the planning norms as per CEA/CERC as applicable for coal-based and gas-based units may be considered. In the case of IPPs, past performance shall be considered to estimate the availability of power. PAF for all new/upcoming thermal projects shall be considered as per norms provided in the State/Central tariff regulations.
- 4.11 The Capacity Utilization Factor (CUF) of existing solar and non-solar power plants shall be considered on the basis of the past performance of the plant. For new/upcoming projects the CUF shall be estimated considering CUF as per the PPA of the plant.
- 4.12 For estimating availability from Hydro Power Plants (HPPs), past years' rainfall pattern and corresponding actual month-wise energy availability shall be considered, thereby reflecting the seasonal variation in generation pattern for estimating the quantum of energy for forthcoming years.
- 4.13 The Distribution Licensees / JKPCCL shall follow a similar method as detailed above in Regulations 4.10 to 4.12 in case of consideration of Auxiliary consumption for different power plants.
- 4.14 The quantum of energy to be procured from renewable energy plants shall be as per the RPO trajectory in the relevant Regulations and amendments thereof.
- 4.15 While estimating the energy availability, the Distribution Licensees / JKPCCL shall explore other options like banking/power market and bilateral arrangements with other state-owned utilities to ensure power availability during Peak Periods.

C. Assessment to Involve Consultation:

- 4.16 The Distribution Licensees / JKPCCL shall make long-term/medium-term demand and supply availability assessments in consultation with any or all concerned including State Generating Companies, Distribution Licensees, Central Generating Companies and Transmission Companies / National / State/Regional Load Dispatch Centres, and Central Electricity Authority.

D. Other Considerations:

- 4.17 Any new Capacity arrangement/tie-up shall be subject to the prior approval of the Commission in view of necessity, the reasonableness of the cost of power purchase, and promotion of working in an efficient, economical, and equitable manner.
- 4.18 All procurement of long-term/medium-term/short-term power from various sources shall be carried out as per the guidelines/rules/ Regulations issued by the Central Government/Commission from time to time.
- 4.19 Any new power purchase agreements or amendments to existing Power Purchase Agreements (PPAs)/ Power Sale Agreements (PSA) entered into by the Distribution Licensees/ JKPCCL shall be subject to the prior approval of the Commission.

5: Variation in Power Purchase

- 5.1 The Distribution Licensees / JKPCCL may undertake additional power procurement during the year, over and above the power procurement plan approved by the Commission, in accordance with this Regulation.

Provided that where there has been an unanticipated increase in the demand for electricity or a shortfall or failure in the supply of electricity from any approved source of supply during the year or when the sourcing of power from existing tied-up sources becomes costlier than other available alternative sources, the Distribution Licensees /JKPCCL may enter into additional agreement or arrangement for the procurement of power.

Provided that the Distribution Licensees / JKPCCL may enter into a short-term arrangement or agreement for the procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system, or when directed to do so by the SLDC to prevent grid failure.

- 5.2 Within thirty days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not taken, the Distribution Licensees / JKPCCL shall submit to the Commission its details, including the quantum, Tariff computations, duration, supplier particulars, method of supplier selection and such other details as the Commission may require so as to assess that the conditions specified in this Regulation have been complied with.

6: Placing of information on websites

- 6.1 The monthly/weekly/day-ahead/intraday power procurements/sale by the Distribution Licensees / JKPCCL and generator schedule shall be made available on the websites of the Distribution Licensees / JKPCCL, as applicable, and SLDC within 30 days of such procurements/sale with ease of access to the current as well as archived data.

6.2 SLDC shall also publish the monthly Merit Order Dispatch (MoD) stack along with per unit variable cost of each generating station on their website.

7: Constitution of a dedicated cell

7.1 Around-the-clock dedicated cell for power procurement shall be constituted by JKPCL within three months of the regulation coming into force. The cell should have the requisite capability and tools for energy forecast. The cell shall co-ordinate and consult with the Distribution Licensees to do the energy forecasting. The cell shall have the power to purchase/sell the energy in real-time, intra-day, day-ahead, week ahead, or any longer duration through Power Exchanges or any other means. JKPCL shall frame suitable guidelines for the modus operandi of the dedicated cell in line with the spirit of this Regulation and apprise the Commission for the same within 45 days of the coming into force of these Regulations.

8: Miscellaneous

A. Non-Compliance with these Regulations:

8.1 In the event of the Distribution Licensees / JKPCL not complying with these regulations, the Commission, in addition to imposing such penalty as it may deem fit, may initiate Suo-Motu proceedings as per appropriate provisions of the Electricity Act 2003.

B. Issue of Orders and Practice Directions:

8.2 Subject to the provision of the Electricity Act 2003 and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of the regulations and procedures to be followed.

C. Powers to Remove Difficulties:

8.3 If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, direct the SLDC, generators, licensees, JKPCL and the Open Access Customer, to take suitable action, not being inconsistent with the provisions of the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulties.

8.4 The Distribution Licensees, JKPCL and SLDC may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in the implementation of these regulations.

D. Power to amend:

8.5 The Commission may from time to time add, vary, alter, modify, or amend any provisions of these regulations after following the necessary procedures.

E. Savings:

8.6 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.

8.7 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

8.8 Nothing in these Regulations shall, expressly or impliedly, bar the Commission from dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

By order of the Commission.

**V.K.Dhar, (JKAS)
Secretary, JERC
J&K and Ladakh**