BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/ P. No. 90 of 2025
Date of Hearing : 09/07/2026
Date of Order : 22/07/2026

IN THE MATTER OF:
Petition under Section 32, 33 and 181 of the Electricity Act, 2003 read with Regulations 18 to 21 of the HERC (Deviation Settlement Mechanism and related matters) Regulations, 2025, read with Regulations 65 to 67 of HERC (Conduct of Business) Regulations, 2019 seeking necessary directions for appropriate modification/ amendment/relaxation and/or removal of difficulty in the implementation of certain regulations of HERC (Deviation Settlement Mechanism and related matters) Regulations, 2025 in furtherance of objective and purpose of the Regulations.

Petitioner
1. Haryana Power Generation Corporation Limited (HPGCL) C-7, Urja Bhawan, Sector-6, Panchkula- Through its Chief Engineer/Regulatory
2. Haryana Power Purchase Centre (HPPC) C-16, Vidyut Sadan, Sector-5 Panchkula, Through its Chief Engineer
3. Haryana Vidyut Parsaran Nigam Limited (HVPNL/SLDC) Shakti Bhawan, C-4, Sector 6 Panchkula, Through its Executive Engineer
4. Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) C-16, Vidyut Sadan, Sector-5 Panchkula, Through its Superintending Engineer/SO

Present

On behalf of the Petitioner
1. Sh. Raghujeet Singh Madan, Advocate
2. Ms. Aerika Singh, Advocate
3. Sh. Lovepreet Singh, Advocate
4. Sh. Ranjeet Singh, CE, HPGCL
5. Sh. Yogesh Bhari,, XEN, HPGCL
6. Sh. Gourav Singhal, AEE, HVPN , HVPNL
7. Sh. Krishan Lal, XEN, UHBVN
8. Sh. Ravi Juneja, AEE, HPGCL
9. Sh. Vishal, AE, HPGCL
10. Sh. Atul, AE, HPPC

QUORUM

Shri Nand Lal Sharma, Chairman
Shri Mukesh Garg, Member
Shri Shiv Kumar, Member

ORDER

1. **Petition:**

1.1 That the present petition is being filed jointly by the authorised officers on behalf of the Haryana Power Utilities, comprising the State Generating Company i.e. Haryana Power Generation Corporation Limited (HPGCL), the Transmission Licensee i.e. Haryana Vidyut Parsaran Nigam Limited (HVPNL)/SLDC, the Distribution Company (DISCOMs), Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL), and the Joint Forum of the DISCOMs created for the purchase of power for the State i.e. Haryana Power Purchase Centre. HPGCL, HVPNL, UHBVN and HPPC shall collectively be referred as Haryana Power Utilities (HPUs).

1.2 That in the present petition, UHBVN is representing both Haryana Discoms i.e. UHBVN and Dakshin Haryana Bijli Vitran Nigam (DHBVN). Vide letter dated 10.10.2025, the Superintending Engineer (Commercial) of DHBVN conveyed to the Chief Engineer (Commercial), UHBVN, Panchkula, the concurrence of DHBVN with the view taken by UHBVN to continue with the existing structure in order to ensure greater efficiency and accountability in the implementation of the ibid Regulations. Consequently, the matter was placed before the Nigam Management, which, after due consideration, decided that UHBVN will represent both the Discoms before the Hon'ble Haryana Electricity Regulatory Commission (HERC).

1.3 That the present Petition has been necessitated on account of deliberations held between the Petitioners with regard to formulation of the Draft Procedure for implementation of HERC (Deviation Settlement Mechanism and related matters) Regulations, 2025 ('DSM Regulations, 2025' for brevity). There are certain practical difficulties that are being jointly acknowledged by SLDC as well as HPUs, thereby warranting indulgence of this Hon'ble Commission for exercise of there inherent powers to help implement the DSM Regulations, 2025 effectively.

A. BRIEF DESCRIPTION AND ROLE OF THE PARTIES TO THE PETITION.

1.4 That the State Load Despatch Centre is the nodal agency for load despatch in the State, ensuring the integrated and efficient operation of the power system, as mandated by the Electricity Act, 2003. SLDC is mandated under Section 32 of the Electricity Act, 2003 to ensure integrated operation of the Power System in a State for reliability economy and efficiency of the said system, which requires forecasting of load, load generation balance in real time as well as compilation and analysis of the Energy Balance Sheets, Deviation Settlement and Transmission Loss at the grid level. As per Regulations 5, 6 and 13 of DSM Regulations, 2025, a duty is cast upon the SLDC to formulate detailed procedure for scheduling, dispatch, energy accounting etc.

1.5 That the Petitioner No. 1 i.e. Haryana Power Generation Corporation Ltd. is the electricity generating company of the Government of Haryana. It has been entrusted with the responsibility of operating, maintaining and setting up of generating stations in state of Haryana.

1.6 That the Petitioner No. 2 i.e. Haryana Power Purchase Centre is a joint forum of Power Distribution Companies of the State of Haryana i.e. UHBVN and DHBVN, which has been formed by the Haryana Government for power trading activities and functions under the purview of the state's power distribution companies.

1.7 That the Petitioner No .3 i.e. Haryana Vidyut Prasaran Nigam Ltd. ('HVPNL') is the transmission licensee responsible for planning, designing, constructing, and maintaining transmission lines and substations, and for transmitting power within the State.

1.8 That the Petitioner No. 4 i.e. Uttar Haryana Bijli Vitran Nigam Ltd. ('UHBVN') is the electricity distribution company for the northern parts of Haryana, India, responsible for power distribution and retail supply business in its designated area.

B. FACTUAL CONSPECTUS LEADING TO THE FILING OF PRESENT PETITION

1.9 That vide the notification dated 29.04.2019, the Haryana Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019 ('DSM Regulations, 2019' for brevity) were notified by this Hon'ble Commission.

1.10 That thereafter, a Petition bearing No. PRO-04 of 2023 was preferred by HVPNL under Section 31 of the Electricity Act, 2003 read with Regulation 2(n) & 5 of the HERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2019 seeking certain clarifications with regard to the implementation of the DSM Regulations, 2019. Petitioner No. 1 i.e. HPGCL being one of the affected parties also filed their detailed comments in Petition No. 04 of 2023. The said Petition was decided by the Hon'ble Commission vide the order dated 12.09.2023. However, the following specific issues amongst others raised by the Petitioner No. 1 i.e. HPGCL were not considered: -

a) Clarification regarding the Station-wise / Unit-wise implementation of the DSM regulations, 2019 may kindly be issued;
b) Exemption of WYC Hydro Project of HPGCL from the application of DSM Regulations, 2019.

A copy of the order dated 12.09.2023 passed in PRO-4 of 2023 is appended.

1.11 That subsequently, a Review Application No. 07 of 2023 was filed by the Petitioner No. 1 i.e. HPGCL seeking review of the order dated 12.09.2023. However, vide the order dated 19.02.2025, the said application was disposed off as being infructuous as the Hon'ble Commission had already issued draft DSM Regulations, 2025 on 08.01.2025. It was mentioned that the HPGCL has already submitted its comments on the draft regulations in Suo-Moto Petition No. 3 of 2025, which shall be accordingly addressed.

A copy of the order dated 19.02.2025 passed in Review Application No. 07 of 2023 is appended.

1.12 That vide the order dated 27.05.2025, the Hon'ble Commission decided Suo-Moto Petition No. 03 of 2025 and issued the HERC

(Deviation Settlement Mechanism and related matters) Regulations, 2025 ('DSM Regulations, 2025' for brevity). The Regulations were specified to come into force after four (4) months of their publication in the Haryana Government Gazette i.e. 27.05.2025. A copy of the Order dated 27.05.2025 along with DSM Regulations, 2025 is appended .

1.13 That Regulation 13 of DSM Regulations, 2025 mandated SLDC to formulate appropriate procedure for accounting of DSM charges after undertaking consultation with stakeholders. The relevant extract of Regulation 13 of DSM Regulations, 2025 reads as under :-

" 13. State Energy Account

(1)The State Load Despatch Centre shall prepare the statement of State Energy Account for each time block for sellers and buyers on monthly basis. Data required for billing of open access consumers shall be passed on to the billing centre of the distribution licensee by the SLDC. The billing centre of the distribution licensee shall be responsible for energy accounting, raising and settlement of bills with open access consumers. Payments of capacity and energy charges by the buyers to the sellers shall be as per the provisions in the respective power purchase agreements or agreement(s) with respect to transactions through power exchange and through Short Term Open Access, as the case may be.

(2) xxx

(3) xxx

(4) A detailed energy accounting procedure shall be prepared by SLDC within three months of notification of these regulations under intimation to the Commission.

Provided that SLDC shall undertake stakeholders consultation by uploading the draft procedure on SLDC's website before finalization of the procedure."

1.14 That subsequent to the notification of DSM Regulations, 2025, SLDC being a nodal agency for implementation of DSM Regulations and responsible for formulating draft DSM Procedure in terms of the DSM Regulations, CE/Commercial, HVPNL (on behalf of SLDC) vide letter dated 17.06.2025 called a meeting between HPGCL, Haryana DISCOMS, HPPC and HVPNL stating that HERC DSM Regulations 2025 require calculation of Unit wise deviation charges for generators. However, with present metering scheme which is in line with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 (as amended up to date), unit wise ex-bus generation cannot be calculated. Further, it was pointed out that active energy accounts are being prepared separately for DISCOMs i.e. UHBVN & DHBVN and in case scheduling will be done considering HPPC as a 'Buyer', the necessary provisions are also required to be made in SAMAST software. A copy of letter dated 17.06.2025 is appended.

1.15 That SLDC called various meetings of stakeholders wherein the representatives of HVPNL, HPPC, DISCOMs and HPGCL were present. During the meeting, *inter alia* following issues were deliberated:

i. Metering Arrangements required for applicability of DSM on Unit-wise;
ii. Applicability of DSM regulations on WYC Hydel plant of HPGCL; and
iii. Scheduling to be done by buyer i.e. whether DISCOMs as a whole or distribution licensee wise

The Haryana Power Utilities jointly acknowledged the practical difficulties that shall be encountered in the implementation of DSM regulations. A copy of minutes of meeting dated 08.07.2025 and 07.08.2025 is appended. In view thereof, it was decided that the certain issues, as elucidated hereunder, shall be addressed in the formulation of draft DSM procedure under DSM Regulations, 2025, which necessitates approval of the Hon'ble Commission with exercise of inherent powers of this Hon'ble Commission to appropriately amend/modify/relax the DSM Regulations, 2025 or remove the difficulty in the implementation of the DSM Regulations, 2025. Hence, the present Joint Petition on behalf of HPGCL, HVPNL, HPPC, UHBVN, DHBVN (Collectively referred to as Haryana Power Utilities (HPUs)) and SLDC is being filed for the kind consideration of the Hon'ble Commission.

C. DETAILS OF THE ISSUES FOR WHICH THE PRESENT PETITION HAS BEEN PREFERRED

I. <u>Implementation of ABT/DSM regime shall be allowed 'Plant Wise' for HPGCL thermal generating stations and deferment of implementation of ABT regime at Panipat Thermal Power Station -</u>

1.16 At the outset, it is pertinent here to mention that the issue regarding Unit-wise/Station-wise implementation of DSM qua HPGCL generating stations has been brought to the consideration of this Hon'ble Commission in the previous litigations, much specifically, in Petition bearing No. PRO-04 of 2023; RA No. 07 of 2023 and also Petition No. 03 of 2025. In the order dated 27.05.2025 (Annexure P-3) passed in Petition No. 03 of 2025, the Hon'ble Commission dealt with the said issue as under –

"The issue of Unit wise or station wise implementation of DSM regulations has already been clarified in the tariff order dated22.02.2022 for HPGCL for FY 2022-23 as under: "The Commission observes that the issue has already been decided in its earlier order dated 18.02.2021. The relevant part of the Order dated 18.02.2021 (HERC/PRO-76 of 2020), is reproduced as under:

The issue raised regarding implementation of DSM has been considered. The Commission is of the view that the tariff determined by the Commission is Unit Wise and not power plant wise i.e. PTPS Units 6 to 8, are considered as separate Units. Hence, DSM ought to be applicable Units wise as such. The issue of ABT Meters can be sorted out mutually between the STU and HPGCL. Hence, the Commission is not inclined to relax the relevant Regulations as prayed for." (page 101 of the order dated 18.02.2021).

Hence, the issue raised by HPGCL has already been decided by the Commission, in terms of the order reproduced above and subsequent to that there are no change or circumstances caused by change in law,judgement of Hon'ble Supreme Court or Hon'ble APTEL which may warrant the Commission to reconsider its decision. Accordingly, at this stage, nothing survives for consideration of the Commission."

Therefore, applicability of DSM regulation either station wise or unit wise has to be aligned with the tariff determination as per the HERCMYT regulations in vogue. The definition of General Seller shall be revised to include the term "Generating Unit"

Clause 2 (j) of the HERC draft DSM Regulations, 2025 shall be substituted as under:

'General Seller' means a seller in case of a generating unit/station (depending on unit wise or station wise tariff determination asper the HERC MYT regulations in vogue) based on resources other than wind or Solar or Hybrid of wind-solar resources."

1.17 Subsequent to issuance of DSM Regulations, 2025, in the joint meeting held between the Petitioners for formulation of the draft DSM Procedure under DSM Regulations, 2025, the appropriate procedure for implementation of DSM on generating stations of the Petitioner No. 1 i.e. HPGCL was deliberated at great length. It was observed that with the present metering scheme installed at the generating stations, which is in line with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2019, as amended from time to time, Unit wise scheduling is not feasible. To elaborate upon the same, following submissions are noteworthy –

a. Clause 6.5 of the Haryana Grid Code Regulations, 2009 provides that the generating companies who intend to use open access must install ABT meters at inter-utility exchange points, capable of recording the parameters in accordance with the Central Electricity Regulations. The said provision reads as under –

   6.5 TARIFF METERING

   6.5.1 The generating companies, CGPs, the transmission licensees and the distribution licensees and EHV consumers who intend to use open access provisions would need to install the meters suitable for Availability Based Tariff (ABT) at inter-utility exchange points which would record the parameters in accordance with the Central Electricity Authority Regulations on installation and operation of meters read with its amendment, if any.

b. Further, CEA Regulations (Installation and Operation of Meters) Regulations, 2019, provides definition of Interface Meter under Regulation 2(1)(n) as under –

   "(n) 'Interface Meter' means a meter used for accounting and billing of electricity, connected at the point of interconnection between electrical systems of generating company, licensee and consumers, directly connected to the Inter-State Transmission System or Intra-State Transmission System or Distribution System and who have been permitted open access by the Appropriate Commission;";

c. The definition of Interface Meter, as provided under DSM Regulations, 2025, reads as under –

   2*(n). 'Interface meters' means interface meters as defined by the Central Electricity Authority under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time and any re-enactment thereof;*

d. Further, Clause No. 5(3) of DSM Regulations, 2025 provides that the State Entities shall make necessary arrangements for putting up suitable meters, capable of recording energy flows in intervals of a time block, as followed by the Northern Regional Load Despatch Centre (NRLDC) and NRPC, time to time or the CEA Metering Regulations, at the points of interface.

e. In view of the above referred regulations, the ABT Meters were required to be installed on all outgoing feeders of a power station. The expression 'feeder', as defined under Clause 2(24) of the Haryana Electricity Regulatory Commission (Duty to supply electricity on request, Power to recover expenditure incurred in providing supply and Power to require security) Regulations, 2016, which reads as under –

   (24) "feeder" means an electrical line emanating from a substation, to which a distribution substation or LT or HT consumers are connected;

f. In view of the foregoing regulations, an 'outgoing feeder' is a feeder located at the outer periphery of premises of an entity. Accordingly, the outgoing feeder installed at the thermal power stations of HPGCL are installed at the outgoing feeder at the outer periphery of the plant as a whole in accordance with the prevailing regulatory framework. Considering the prevalent ABT installation, the plant-based DSM and the plant-based scheduling qua the generating stations of HPGCL is the only feasible mode of implementation of DSM Regulations, 2025.

g. It is worthwhile to highlight that as per Regulation 5 of the MYT Regulations, 2024, the Hon'ble Commission has specified the categorization of thermal plants of the HPGCL and has stipulated suitable conditions stating that the scheduling shall be done separately for each Plant as categorized in the said Regulations. Regulation 5 of the MYT Regulations is reproduced hereunder for ready reference, a perusal of which evince that the DSM Regulations, 2025 has not been aligned with the prevailing MYT Regulations –

   "5. PLANT WISE COMPUTATION OF TARIFF FOR GENERATING COMPANY

   5.1 The tariff for the generating company shall be determined plant-wise. Following shall be the categorization for the existing thermal plants of State Generator i.e. HPGCL:

S. No.	***Plant***	***Capacity (MW)***
1.	*Panipat TPS Unit 6* *Unit-6:*	*210*

2.	*Panipat TPS Unit 7 & 8* *Unit-7:* *Unit-8:*	 *250* *250*
3.	*DCR TPS Yamunanagar* *Unit-1:* *Unit-2:*	 *300* *300*
4.	*Rajiv Gandhi TPS Khedar (Hisar)* *Unit-1:* *Unit-2:*	 *600* *600*

5.2. The generating company shall prepare its annual accounts in a manner such that all individual plants/units are treated as separate business entity including any new plant that may be commissioned during the control period.

5.3. The operational norms for each generating plant shall be specified unit-wise. Therefore, the statement of account should also include the unit-wise performance parameters for each plant.

5.4. The generating company shall file the tariff petition as per the above categorization. All plants indicated above and the plants which may be commissioned during the control period shall have separate interface metering with the transmission licensee(s) as per CEA (Installation and Operation of Meters) Regulations, 2006 as amended from time to time and, as and when intra state ABT is implemented, different power plant, as categorized above, shall be scheduled separately as per the intra State ABT Regulations as may be notified by the Commission from time to time. Provided that a Generation entity may file an application for determination of provisional tariff for a new generating station or Unit(s) six months prior to the scheduled date of commissioning.

5.5. For the plants, if any, not covered under ABT the Commission may determine, single part tariff based on a normative PLF. Provided the Commission may determine tariff for hydro power projects up to 25 MW separately as per the norms specified in the HERC RE Tariff Regulations in vogue.

5.6. 'target/normative availability' and 'target/normative PLF' shall be construed as normative availability and normative PLF till such the time power plants are brought under intra-State ABT framework."

h. Further, the Hon'ble Commission vide order dated 18.02.2021passed in Petition No. 76 of 2020 directed that issue of ABT meters may be sorted out mutually between the HVPNL and HPGCL for Unit wise applicability of DSM at HPGCL generating stations. Accordingly, a team of HVPNL and HPGCL officials were deputed to check the feasibility for installation of ABT meters at HPGCL generating stations. Accordingly, a joint feasibility report received from HVPNL vide letter dated 18.10.2021, whereby the practical difficulty in installation of Unit wise ABT Meter were communicated with detailed reasoning, the relevant extract of which reads as under –

"*Feasibility Constraints:*

1. *In order to ascertain the net energy units generated by each generation unit, we need to subtract the energy units consumed by the auxiliary Station Transformers i.e., ST-1 and ST-2.*
2. *From the single line diagram, we can see that it is not possible to assign the energy units consumed by ST-1 and ST-2 to a particular generating unit, because there are some auxiliaries which are fed from both the sources i.e., ST-1 and ST-2 and common to both the units.*
3. *Also, from metering point of view the Generating units and Station Transformers doesn't have a dedicated PT but rather used Bus PT via PT Selection relay which is not recommendable.*
4. *The meter at GT-1, GT-2, ST-1 and ST-2 can be replaced with ABT meters so that reading can be recorded every 15 minutes but in the existing infrastructure, it is not possible to have a dedicated PT for each generating unit and station Transformer.*
5. *Both the buses i.e., Bus-I and Bus-II are synchronized to maintain the reliability of the system both buses cannot be segregated.*

Conclusion

As per the existing infrastructure / arrangement at HPGCL generating stations, it is not feasible to achieve unit wise DSM, which requires unit wise consumption every 15 minutes.

"Feasibility Constrains of DSM

1. *In order to ascertain the actual injection on the bus by each generator i.e., Ex-bus generation of each unit, we need to subtract the energy consumed by the auxiliary Station Transformers i.e., ST-1 and ST-2.*
2. *At present condition of the plant, it is not possible to assign the energy units consumed by ST-1 and ST-2 from particular generating unit because there are some auxiliaries which are fed from both Station Transformers i.e., ST-1 AND ST-2 and common to both units.*
3. *The meters at GT-1, GT-2, ST-1 and ST-2 can be replaced with ABT meters so that readings can be recorded every 15 minutes but in the existing infrastructure, it is not possible to have a dedicated PT for each generating unit and station Transformers.*
4. *It is not feasible to feed the particular transmission line from a dedicated generating unit without loss of synchronism with grid.*
5. *Moreover, ST-1 and ST-2 are connected on the same bus where generators inject eh power.*

Conclusion

As per the existing infrastructure / arrangement at HPGCL generating stations, it is not feasible to segregate dedicated feeders to individual generating unit."

A copy of the letter of HVPNL dated 18.10.2021 is appended.

1.18 That it is further emphasized that the Station wise DSM is advantageous in terms of providing grid stability as the same has more flexibility in implementation of schedules in case of outage/problems in Unit(s). The following illustration may help clarify the foregoing submission:

- Station like RGTPP has 2 Units of 600 MW each and at any time each Unit has got schedule to run at 400 MW each (Net Power) up to 4th time block. Thus, the total schedule for RGTPP for current and next three blocks will be 800 MW.
- However, in case of tripping of any Unit say Unit-1, Station will have capability to deliver about 570 MW net Power (i.e. from Unit-2), however, HPGCL will not be able to do so as in case of Unit-wise DSM as DSM charges will be leviable on Unit-2 for excess generation.
- This will ultimately result into unnecessary backing down of the Unit- 2. Further, in-spite of having additional availability of 170 MW power from Unit-2 with the State, Discoms may either the power from the grid or impose cuts to balance the situation for 4 blocks. This situation is avoidable on implementation of DSM on station-wise basis.

1.19 That considering the foregoing submissions, the Hon'ble Commission may kindly appreciate that the unit wise application of DSM Charges is not feasible. In fact, not just the DSM application but the Energy Accounting post the implementation of DSM Regulations, 2025 have to be modified and streamlined in view of the present ABT installation at the generating thermal stations of the HPGCL. This necessitates appropriate amendment/relaxation in the DSM Regulations, 2025 and also incorporation of specific provisions in this regard under the DSM procedure formulated as per DSM Regulations, 2025. Thus, it is prayed before this Hon'ble Commission that the implementation of DSM Regulations, 2025 qua the generating stations of the HPGCL except Panipat Thermal Power Station (the case of exception for which is submitted hereunder) shall be permitted to be implemented Plant wise and accordingly, appropriate directions in this regard shall be passed.

II. <u>Deferment for implementation of ABT regime in case of Panipat Thermal Power Station –</u>

1.20 That the aforesaid submissions made by the Petitioners with respect to Plant wise implementation of DSM Regulations, 2025 does not apply to the case of Panipat Thermal Power Station. In the joint deliberation held between the parties, it was observed that in case of PTPS, for Plant wise DSM accounting, interface meters are required to be provided at bus sectionalizer between two Plants i.e. PTPS Unit-6 and PTPS Unit-7 & 8 of generating station, having different norms in respect of Energy Charges. A joint analysis was conducted by HVPNL and HPGCL of the PTPS. On 11.07.2025, the officials of HVPNL and HPGCL visited PTPS to explore the feasibility for Plant wise implementation of DSM Regulations, 2025 at PTPS. In the joint report prepared pursuant to the said visit, it was observed that SEMs are required to be installed in the bus sectionalizer of Unit-5&6 after arranging the metering core of 0.2 class accuracy CT/PTs units. A copy of the said joint report is appended.

1.21 That it is stated on behalf of the HPPC that the Regional Energy Account under all PPAs is being carried out as per CEA metering regulations on Plant wise basis. Thus, all DSM implications are also captured on Plant wise basis. The same treatment shall also be done on the generating plants of the HPGCL. Accordingly, it is also the case of the Discoms that the metering for the DSM regulations needs to be done Plant wise.

1.22 In light of the foregoing, it is the positive stand of the parties that with respect to PTPS, the implementation of Plant wise DSM is not feasible at PTPS till the required CT/PT's and metering arrangements is provided on bus sectionalizer of Unit-5&6 PTPS, Panipat. Therefore, it is prayed before this Hon'ble Commission that while permitting Plant wise implementation of DSM Regulations, 2025, the Hon'ble Commission shall carve out a special exception qua Panipat Thermal Power Station while specifying that the implementation of DSM and Energy accounting for PTPS shall be deferred.

III. <u>Exclusion of WYC Hydel Plant of HPGCL from the purview of DSM Regulations, 2025 -</u>

1.23 That the Hon'ble Commission, in the order dated 27.05.2025 (Annexure P-3) in Petition No. 03 of 2025, stated that the DMS Regulations, 2025 shall also be applicable on Western Yamuna Canal Hydro Project of HPGCL. The relevant extract of the order reads as under –

"All Run of River (RoR) hydro generating units such as Western Yamuna Canal Hydro project, Bhudkalan and Kakroi of HPGCL are covered under the definition of 'General seller' as per the regulations, accordingly DSM charges shall be applicable, which are without any linkage to frequency as per clause 12(2) of these regulations."

1.24 That in the joint deliberation held between the parties, it was acknowledged that the WYC Hydro Project has a single-part tariff, that is a fixed cost component. A single part tariff has been determined by this Hon'ble Commission for WYC Hydro Project, which is calculated by dividing the total fixed cost with the approved net generation and the recovery of fixed cost is done by multiplying single part tariff with actual sent out generation, subject to maximum approved fixed cost in a year. As per CERC tariff regulations, the recovery of tariff is done in two parts i.e. <u>Fixed Charges</u> (depending on the Availability/Declared Capacity) and <u>Energy Charges</u> (depending on the Scheduled Generation). HERC MYT Regulations, 2024, categorically specify that the WYC Hydro Project of HPGCL is not covered under Availability Based tariff (ABT). In case of WYC Hydel Project, it is not possible to ascertain the water flow on hourly basis. Regulation 5.5 read with Regulation no 15.5 of HERC MYT Regulations, 2024 provides that for Hydro plant i.e. Western Yamuna Canal Hydro project, Bhudkalan and Kakroi Hydro Plants, having single plant tariff are not covered under ABT regime. Regulation 5.5 and Regulation 15.5 of HERC MYT Regulations, 2024 reads as under:

"5.5 For the plants, if any, not covered under ABT the Commission may determine, single part tariff based on a normative PLF.Provided the Commission may determine tariff for hydro power projects up to 25 MW separately as per the norms specified in the HERC RE Tariff Regulations in vogue

15.5 For the hydro plants i.e. Western Yamuna Canal Hydro project, Bhudkalan and Kakroi Hydro Plants, however, a single part tariff, based on a normative PLF and fixed cost may be determined by the Commission, as per practice consistently followed in the previous control period."

A copy of relevant extract of the CERC Tariff Regulations and HERC MYT Regulations, 2024 is appended .

1.25 That while the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 align with the CERC Tariff Regulations, in as much as the payment of fixed cost is done on the basis of availability and energy charges is done on the basis of scheduled energy, the HERC DSM Regulations, 2025 does not align with the HERC MYT Regulations, 2024 qua the case of WYC Hydro Project, as the tariff determined for the said plant is admittedly a single-part tariff distinct from the methodology of tariff determination/recovery of hydro projects as per CERC Tariff Regulations. In case of WYC Hydro Project, the recovery of full cost is done by multiplying single-part tariff with actual sent out generation.

1.26 That as per DSM Regulations 2025, the Charges for Deviation has been linked with the Reference Charge Rate. In respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, the definition of 'Reference Charge Rate' reads as under:

"(i) In respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/ kWh energy charge as determined or adopted Appropriate Commission; or approved by the Appropriate Commission; xxx"

1.27 That admittedly no separate energy charge rateexists for WYC Hydro Project, which is also evident from a perusal of HERC Orderdated 13.03.2025 passed in Petition NO. 64 of 2024 in the matter of 'TRUE-UP FOR FY 2023-24, BUSINESS PLAN FOR FY 2025-2029, CAPEX PLAN FOR FY 2025-29, MID-YEAR PERFORMANCE REVIEW FOR FY 2024-25, DETERMINATION OF GENERATION TARIFF FOR THE FY 2025-26'. A relevant extract of the said order is appended .

1.28 That it is worthwhile to specify the peculiar nature of the WYC Hydro Project which does not utilizes the natural flow of water from river. In case of WYC Hydro Project, it is submitted that the water is first drawn by Irrigation department from Yamuna River and flow of water from their Western Jamuna Canal (WJC) to the Western Yamuna Canal (WYC) is regulated by the Irrigation Department. A typical Run of River hydro projects utilizes natural flow of water from river. It is relevant here to highlight that the Central Electricity Authority (CEA) published a detailed document on the best practices and bench marking covering various aspects of hydro power generation. Chapter 2 of the document i.e. *Best Practices in Planning & Appraisal of Hydro Electric Projects,* defines Hydro Electric Schemes. As per the same, a Run-of-River schemes are the schemes either having pondage sufficient to meet diurnal variation of power demand or no upstream pondage (i.e. all the incoming water is fed into the turbine at the same time) and Canal Power House Schemes are the schemes utilising irrigation canal flows for power generation. Therefore, WYC Hydro Project is essentially a Canal based Project which does not utilize the natural flow of water. As such, the implementation of scheduling/DSM shall not be made applicable for WYC Hydro Project. A copy of the relevant extract of the document published by CEA is appended.

1.29 That also, the rated capacity of machine/generator in WYC hydro project is less than 10 MW. As per Regulation 4 of the DSM Regulations, 2025, the regulations are applicable on generators with capacity of 10 MW or above only. As such, logically speaking, WYC Hydro Project shall actually be excluded from applicability of DSM Regulations, 2025.

1.30 That in view of the foregoing factual position, it is the positive stand of the parties that the DSM shall not implemented qua the WYC Hydro Project. Therefore, it is prayed before the Hon'ble Commission that appropriate amendment/relaxation in the DSM Regulations, 2025 shall be made specifying exclusion of WYC Hydro Project from the purview of DSM Regulations, 2025.

IV. <u>Specification with respect to HPPC as the 'Buyer' as well as the 'Beneficiary' on behalf of the distribution companies -</u>

1.31 That the Petitioner No. 2- HPPC acts as a centralized power procurement agency on behalf of both distribution licensees, i.e., UHBVN and DHBVN, in accordance with the Haryana Government Notification dated 11.04.2008. In view thereof, the expression 'Buyer' and 'Beneficiary' under the DSM Regulations, 2025, shall be construed as reference to HPPC, being the procurer of power on behalf of both DISCOMs. Under the existing arrangement, where SE/SO wing submits a combined schedule on behalf of both Discoms to SLDC, which has proven to be operationally efficient, economically beneficial, and administratively cohesive. In view thereof, it is submitted that the recognition of HPPC as Buyer and Beneficiary under the DSM Regulations, 2025 shall enable continuation of centralized scheduling. It is further submitted that a centralized scheduling for both DISCOMs is significant for the following reasons:

a. Merit Order Optimization and Real-Time Flexibility: A combined schedule enables to optimize power drawl across all available sources based on economic merit order and prevailing grid conditions. This ensures cost-effective scheduling for both Discoms and enhances flexibility in responding to real-time variations in demand or generation.
b. Simplified System Architecture: Maintaining a single buyer code at the SLDC level avoids duplication of scheduling infrastructure, reduces operational complexity, and aligns with Haryana's integrated procurement framework, where HPPC is the sole contracting entity for long, medium and short-term power for the state of Haryana.
c. Requirement of Precise Allocation of Central/State Resources: At present, long term/medium term PPAs have been signed by HPPC

under single buyer model on behalf of the both Discoms. In the event of separate scheduling by both Discoms, it becomes essential to clearly define the allocation of Central Sector and State-Owned Generating Station capacities between UHBVN and DHBVN. These allocations must be determined through a transparent policy or regulatory mechanism to avoid any operational or commercial disputes. Without clearly demarcated entitlements, both Discoms may face challenges in scheduling their respective shares, especially during periods of generation shortfall or transmission constraints.*For example*, power from NTPC Dadri, Kahalgaon, or state projects like RGTPP or Yamuna Nagar TPS is currently scheduled under a unified State share. If scheduling is disaggregated, a mutually agreed or regulator-approved allocation (in MW or %) would be required to ensure fairness and avoid overlapping claims or scheduling conflicts.

d. Efficient Handling of Renewable Energy (RE):Given the variability in solar and wind generation, centralized scheduling helps better integrate Renewable Energy by pooling its impact across the entire state. This reduces the need for back-up power and minimizes curtailment.
e. Reduction in Net DSM Liability through Natural Balancing:When scheduling is done at the state level, any deviation in drawl by one Discom is often naturally offset by the other, reducing the net deviation of the state. This intra-state balancing helps minimize overall DSM penalties and enhances grid discipline.
f. Facilitates Simplified Compliance Monitoring (RPO, DSM):Under unified scheduling, compliance with Renewable Purchase Obligation (RPO) targets and monitoring of Deviation Settlement Mechanism (DSM) charges is streamlined at the state level. This centralized reporting reduces administrative burden and ensures cohesive compliance tracking. Since RPO obligations and DSM penalties are computed collectively for the state, it eliminates the need for complex Discom-wise segregation, reconciliation, or separate regulatory filings. *For example*, even if UHBVN and DHBVN have differing levels of renewable energy integration or deviations, the joint reporting under a unified schedule enables the state to meet its obligations in a consolidated manner, allowing natural balancing and reducing the risk of non-compliance for individual Discom.
g. Supports Centralized Power Market Participation:HPPC, as a unified buyer, participates in power exchanges, bilateral markets, and banking arrangements on behalf of both Discoms. With a combined demand portfolio, HPPCis able to negotiate better prices, optimize block-wise scheduling, and make more competitive bids. Fragmented Discom-wise market participation could weaken bargaining power and lead to inefficient outcomes or over-scheduling.
h. Enables Integrated Long-Term Resource Planning: Unified scheduling supports an integrated approach to load growth

forecasting, demand-supply planning, PPA portfolio optimization, and capacity addition decisions. This allows HPPC to plan procurement more effectively for the combined requirement of the state.

i. Ring Fencing: There are some substations in UHBVN &DHBVN where power is supplied from UHBVN to DHBVN or from DHBVN to UHBVN. On such substations, ring fencing will have to be done to make such arrangements that DHBVN substations will supply the power to DHBVN& UHBVN substations will supply the power in UHBVN jurisdictions only, which entails indulgence of resources and may have potential complications.

1.32 That in light of the foregoing submissions, it is respectfully submitted that it is imperative that the expression 'Buyer' and 'Beneficiary', under the DSM Regulations, 2025 shall be explicitly construed and referred to as HPPC to ensure continuation of unified scheduling arrangement thereby leading to effective implementation of DSM Regulations, 2025. It is essential to enable optimal power procurement through merit order dispatch, minimize DSM liabilities through natural intra-state balancing, simplify compliance monitoring, and strengthen Haryana's position in the power market. Therefore, it is prayed before this Hon'ble Commission that it shall be explicitly specified that the Buyer' and 'Beneficiary', under the DSM Regulations, 2025, for all operative purposes under the Regulations shall be construed as HPPC on behalf of the Distribution Licensees of the State.

1.33 That it is the respectful submission of the Petitioner No. 3 that as per Clause 13(4) of the DSM regulations, 2025, the Petitioner No. 3 has to submit a detailed energy accounting procedure. As is explained above, the present Petition emanates from the process initiation by the Petitioners to finalize the procedure. A resolution of the foregoing difficulties is significant for the finalization of DSM Procedure, as the same shall have consequential impact on tariff recovery apart from levying of DSM charges. As such, the Hon'ble Commission may kindly consider that the delay in submission of detailed procedure under DSM Regulations, 2025 has been delayed on account of above-mentioned genuine issues and there is no willful or deliberate delay on the part of Petitioner No. 3.

1.34 That the Hon'ble Commission has ample power to grant the relief sought by way of the present application in view of the following relevant Regulations of the Haryana Electricity Regulatory Commission (Conduct of Business) Regulations, 2019:

"Saving of inherent power of the Commission

65 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 for ends of justice or to prevent the abuse of the process of the Commission.

66 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act a procedure 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.

67 Nothing in these Regulations shall, expressly or impliedly, bar the Commission to deal with any matter or exercise any power under the applicable legal framework for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

General power to amend

68 The Commission may, at any time and on such terms as to costs or otherwise as it may think fit, amend any defect or error in any Proceedings before it, and all necessary amendments shall be made for the purpose of determining the real question or issue arising in the Proceedings.

Further, similar provisions relating to the power to amend/ remove difficulties etc. have been consciously added by the Hon'ble Commission in the DSM Regulations, 2025 with the intention that, in case of difficulty, smooth functioning is ensured. In the present case, directions are necessary so as to enable the effective implementation of the DSM Regulations, 2025. Even otherwise, this Hon'ble Commission has been conferred with inherent power to pass necessary orders as may be necessary for ends of justice, which may kindly be invoked in the present case.

1.35 That the present petition is *bonafide* and in the interest of justice.

PRAYER

In view of the facts and circumstances enumerated above, the Petitioners humbly prays that the present petition may kindly be allowed and the Hon'ble Commission may kindly be please to pass appropriate directions/clarifications and/or suitable order with respect to relaxation of DSM Regulations, 2025 or removal of difficulty in the implementation of DSM Regulation, 2025 and/or initiate and effect amendment to the DSM Regulations, 2025 with respect to following –

i. The DSM Regulations, 2025 shall be implemented Plant-wise for all generating thermal stations of HPGCL except Panipat Thermal Power Station;

ii. The DSM Regulations, 2025 shall be deferred for Panipat Thermal Power Station;

iii. WYC Hydro Project shall be excluded from the applicability of DSM Regulations, 2025;

iv. The expression Buyer' and 'Beneficiary', under the DSM Regulations, 2025, for all operative purposes under the Regulations shall be construed as HPPC on behalf of the Distribution Licensees of the State;

v. Pass necessary orders extending the time for the submission of a detailed procedure under DSM Regulations, 2025 till a reasonable time beyond the adjudication of the instant petition; AND/OR

vi. Pass any other order(s) and or direction(s), which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

AND FOR THIS ACT OF KINDNESS AND JUSTICE THE PETITIONERS SHALL AS IN DUTY BOUND EVER PRAY.

2. The case was heard on 03/02/2026, Ms. Aerika Singh counsel of petitioner, re-iterated the contents of the petition and submitted that there is practical difficulty in implementation of the DSM regulation unit wise and referred the reports of the committee constituted for the same. To the query of the Commission, the counsel submitted that the committee members were officers at the level of SDOs. The Commission noted that the Committees were constituted from the officers of the same plant that too of the officers at lowest level. The reports of committees are not convincing. The Commission adjourns the matter and directs the petitioners to constitute a committee of senior experts to understand the regulations and re-examine the applicability and feasibility accordingly. Director/ Technical and Director/ Tariff, HERC will associate the said committee as per requirement. A consolidated report is required to be submitted within two months from the date of issue of this order .
3. The case was heard on 19/05/2026, Sh. Raghujeet Singh Madan submitted a report of the committee in compliance to the directions of the Commission. To the query of the Commission, the counsel apprised that the report has been prepared in consultation with CEA and CERC. The Commission observes that the Committee's recommendations are not persuasive. The Commission therefore directs the petitioners to file the detailed submissions and verified comments addressing the following:
    a. The Central Electricity Regulatory Commission's Deviation Settlement Mechanism (DSM) Regulations applicable to public sector Thermal Power Stations, whether on a station-wise, stage-wise or unit-wise basis, with supporting documents.
    b. Whether any State Electricity Regulatory Commission's DSM Regulations expressly provide for unit-wise applicability in respect of State-owned thermal power stations; if so, furnish particulars of the relevant provisions and supporting documents.

    The Commission further directs that the foregoing information shall be furnished by the petitioners by way of an affidavit, duly verified and signed by the concerned Chief Engineer, within the stipulated period of two weeks.

4. **Compliance Report received on 02/07/2026:**

MOST RESPECTFULLY SHOWETH:

I, Ranjeet Singh aged about 55 years, presently working as the Chief Engineer/ Regulatory, HPGCL, do hereby solemnly affirm and state as under:

4.1 That the submissions are being filed in compliance of the interim order dated 19.05.2026 passed in the present matter, whereby the Hon'ble Commission had directed as under:

"4. … … … The Commission therefore directs the petitioners to file the detailed submissions and verified comments addressing the following:

a. The Central Electricity Regulatory Commission's Deviation Settlement Mechanism (DSM) Regulations applicable to public sector Thermal Power Stations, whether on a station-wise, stage-wise or unit-wise basis, with supporting documents.

b. Whether any State Electricity Regulatory Commission's DSM Regulations expressly provide for unit-wise applicability in respect of State-owned thermal power stations; if so, furnish particulars of the relevant provisions and supporting documents."

4.2 That insofar as the regulations of the Central Electricity Regulatory Commission (CERC) are concerned, it is submitted that CERC explicitly mandates the implementation of DSM on Station-Wise basis. A copy of the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 ("CERC Regulations, 2024"), is annexed, the relevant part of which is reproduced below for ready reference:

"(m) 'General seller' means a seller in case of a generating station based on other than wind or solar or hybrid of wind-solar resources;

(aa) ''Seller' means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the Grid Code;

Further, a perusal of Regulation 8 of the CERC Regulations, 2024, which provides for calculation of "Charges of Deviation" shows that the computation is based on "Generating Station" and not with respect to the individual units of a Generating Station.

4.3 That further, insofar as the Regulations adopted by other State Electricity Regulatory Commissions are concerned, the following is brought to the notice of the Hon'ble Commission:

a. The Petitioner-HPGCL herein, had requested the concerned State GENCOs and SLDCs throughout India via e-mails dated 22.05.2026 and 25.05.2026 to provide the requisite information pertaining to the DSM implementation methodology adopted within their respective states. Copies of the emails addressed to various GENCOs and SLDCs are annexed. It is humbly submitted that the concerned GENCOs/SLDCs have been regularly pursued to supply the desired information. Based on verified data available on their official websites/ formal replies received via e-mail(s)/ subsequent telephonic communications/discussions, the DSM implementation methodology adopted across various States/UTs, along with supporting documents, has been compiled and tabulated as under:

Sl.	Regulatory Commission (State)	Relevant Regulation/Supporting documents
1	GERC (Gujarat)	<u>Station-Wise:</u> The scheduling of all the Generating Station in the State of Gujarat is being done in terms of CERC Regulations. A copy of the email received from the SLDC of the State of Gujarat is annexed. Further, a copy of the 01.04.2010 passed by the Ld. Gujarat Electricity Regulatory Commission is also annexed , which provides as under (at internal page 21 of 44): *"4. Demarcation of responsibilities:* *1. The SLDC shall coordinate thescheduling of all such generatingstations located within the State, which are notscheduled by the RLDC interms of CERC regulations as notified from time totime."*
2	RERC (Rajasthan)	<u>Station-Wise:</u> Attention in this regard is brought towards the RERC (Deviation Settlement Mechanism and related matters)Regulations, 2017, which provides as under: *"2. Definitions and Interpretation:* *… …* *(o)'Seller' or 'Supplier' means a person, SGS including a captive power plant (CPP), supplying electricity;* *… …* *(q) 'State Generating Station' (SGS) means a power station within the State, except Inter-State Generating Station (ISGS) located within the State. This includes IPP."* A copy of the email dated 01.06.2026 received in this regard is annexed. Further, the copy of the RERC (Deviation Settlement Mechanism and related matters)Regulations, 2017 is also annexed .
3	OERC (Odisha)	<u>Station-Wise:</u> The relevant provisions of the OERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025, are reproduced below: *"4. Definitions and Interpretation.* *… … …* *(p) 'General seller' means a seller in case of a <u>generating station</u> based on other than wind or solar or hybrid of wind-solar resources with or without energy storage;"* Further, a copy of the OERC DSM Regulations, 2025 is annexed.

4	WBERC (West Bengal)	<u>Station-Wise:</u> The relevant provisions of the WBERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, are reproduced below: *"2.1 In these regulations, unless context otherwise requires:* *… … …* *(xlv) "Seller" means a person, including a generating station, supplying electricitythrough a transaction scheduled inaccordance with the regulationsapplicable for Short-Term Open Access, Medium-Term Open Access and LongTerm Open Access;"* Further, a copy of the WBERC DSM Regulations, 2021 is annexed.
5	UPERC (Uttar Pradesh)	<u>Station-Wise:</u> The Ld. UPERC vide order dated 09.09.2024, a copy of which is annexed.
6	BERC (Bihar)	<u>Station-Wise:</u> The relevant provisions of the BERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2025, are reproduced below: *"3. Definitions and Interpretation.—* *… …* *(za) 'Seller' means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the BERC State Grid Code or IEGC."* Further, a copy of the BERC DSM Regulations, 2025 is annexed.
7	MPERC (Madhya Pradesh)	<u>Station-Wise:</u> The Madhya Pradesh Electricity Balancing and Settlement Code, 2023[RG-34(II) of 2023]provides as under: *"(z-e) 'Seller' means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the Central and State Grid Code."* A copy of the MP Electricity Balancing and Settlement Code is annexed.
8	AERC (Assam)	<u>Station-Wise:</u> The AERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2019 prescribe as under: *"2. Definitions and Interpretation* *… …* *v 'Seller' means a person, including a generating station, supplying electricity through a*

		transaction scheduled in accordance with the regulations applicable for short term open access, medium term open access and long term medium access." A copy of the said AERC Regulations, 2019 are annexed .
9	HPERC (Himachal Pradesh)	Station-Wise: The HPERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 prescribe as under: *"2. Definitions and Interpretation.* *… … …* *(o) 'General Seller' means a seller in case of a generating station based on other than wind or solar or hybrid of wind-solar resources;"* A copy of the HPERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024are annexed .Further, a copy of the email dated 12.06.2026 received from HP-SLDC in this behalf is also annexed.
10	UERC (Uttarakhand)	Station-Wise: The UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 prescribe as under: *"2. Definitions and Interpretation.* *… …* *(s) "seller" means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the Regulations applicable for short-term open access, medium term open access and long-term access;"* A copy of the UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 is annexed .
11	PSERC (Punjab)	Station-Wise: The Punjab State Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters)Regulations,2025provides as under: *"2. Definitions and Interpretation* … … 15) General seller" means a seller in case of a generating station based on resources other than wind or solar or hybrid of wind-solar resources;"

		A copy of the PSERC(Deviation Settlement Mechanism and Related Matters) Regulations, 2025 is annexed .
12	APERC (Arunachal Pradesh)	<u>Station-Wise:</u> The APERC (Deviation Settlement Mechanism and related matters)Regulations,2026 provides as under *"(ii) 'Seller' means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the APSERC (State Grid Code)."* A copy of the APERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2026 is annexed .
13	MSERC (Meghalaya)	<u>Station-Wise:</u> The Meghalaya State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2025, provides as under: *"3.24. "General Seller" means a Seller in case of a generating station based on resources other than WS (Wind Solar) Seller;"* Further, a copy of the MSERC DSM Regulations, 2025 is annexed .
14	JERC (Goa)	<u>Station-Wise:</u> The CERC DSM Regulations 2024 stands adopted by the Joint Electricity Regulatory Commission.
15	KERC (Karnataka)	<u>Station-Wise:</u> The Karnataka Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2025 provides as under: *"3. DEFINITIONS* *… … …* *3.39. "Seller" means a generating station including captive generating plant (selling directly or through trader) or licensee or a company located within the State, injecting power into the State-grid including such system when it is used in conjunction with inter-State transmission system and whose scheduling and/ or, metering and energy accounting is coordinated by SLDC, in accordance with Grid Code/State Grid Code as the case may be;"* A copy of the KERC DSM Regulations, 2025 are annexed.
16	TNERC (Tamil Nadu)	<u>Station-Wise/ Unit-Wise:</u>

		The Tamil Nadu Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019, defines ‘seller’ as under: *“v. ‘Seller’ means a person, including a generating station or unit of generating station, supplying electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long-term open access;”* A copy of the TNERC DSM Regulations, 2019 is annexed. It is humbly submitted that in view of the definition providing for both "Station" and "unit of generating station", as such the concerned person was contacted in this behalf. On telephonic conversation with Sh. Ganeshan, Executive Engineer/ Regulatory, Tamil Nadu Power Generation Corporation Limited it was confirmed that, at present, the DSM is being implemented at Station-Wise Level only.
17	TSERC (Telangana)	Station-Wise/ Unit-Wise: The Telangana State Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021 defines ‘seller’ as under: *“(z) 'Seller' means a person, including a generating station or unit of generating station including Captive Power Plant, supplying electricity to the grid through a transaction scheduled in accordance with the provisions of Open Access Regulation;”* The TSERC DSM Regulations, 2021 are annexed .
18	Kerala	As per e-mail dated 03.06.2026, a copy of which is annexed, it has been informed that the State of Kerala is yet to implement the intra-state ABT regime.
19	MERC (Maharashtra)	Station-Wise/ Unit-Wise/ Stage-Wise: The Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2019, defines “Seller” as under: *“(w) Seller' means a person, including a generating station or unit of generating station, supplying electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long-term open access;”*

		A copy of the MERC (Deviation Settlement Mechanism and related matters) Regulations, 2019 are annexed. It is pertinent to mention here that in reply to the email of the Petitioner herein, Maharashtra State Power Generation Co. Ltd. (MSPGCL) has clarified as under: *"Thus, for the State owned thermal generating stations in Maharashtra, when the tariff (especially Energy Charge rate) is determined by the State Regulator on Unit-wise basis, the computation of deviations and the DSM charges is done on "unit-wise" basis. However, when the tariff is determined on Station-wise basis or for group of units in a station, the computation of deviations and the DSM charges is done on such "tariff- group " basis. e.g. At Khaperkheda TPS (comprising 4 X 210 MW + 1 X 500 MW) , the tariff for Units 1 to 4 is determined on group-basis and tariff for Unit # 5 is determined on "unit-basis". Thus, the deviations & DSM charges for "Units # 1 to 4 " are computed on the basis of {"Sum of actual generation for the 4 unit" - "sum of scheduled generation for the 4 units"}, whereas for Unit # 5, the deviations & DSM charges are computed on the basis of {"Actual generation for Unit # 5 " - "Scheduled generation for Unit # 5 "}."* A copy of the email dated 19.06.2026 of MSPGCL is annexed. It is submitted that a perusal of the aforesaid illustration demonstrates that MSPGCL follows a "stage-wise" methodology. This is further borne out from its submission that, where the tariff is determined on a station-wise basis or for a group of units within a generating station, the computation of deviations and the corresponding DSM charges is undertaken with reference to the relevant "tariff group" and not separate/ individual units.

4.4 That the statutory definitions compiled hereinabove demonstrate that several State Electricity Regulatory Commission across the country have adopted the implementation of the Deviation Settlement Mechanism at the level of the entire Station/Generating Station Periphery. It is humbly submitted that such a regulatory treatment, by a majority of the States, reflects a recognition of the inherent operational and technical constraints associated with conventional thermal generating stations and the practical necessity of assessing deviations at the station level rather than at the level of individual generating units.

4.5 That in light of the foregoing, the Petitioners respectfully pray that this Hon'ble Commission may please take the compiled information on record and allow the implementation of DSM accounting on a Station/Stage-wise basis rather than Unit-wise basis, in alignment with CERC and the national regulatory consensus.

Commission's Order:

1. The case was heard on 09/07/2026, Ms. Aerika Singh counsel for the petitioner re-iterated the contents of the compliance report and submitted that as per the DSM regulations of most of the other ERCs, have implemented DSM regulations on Station wise basis and requested to accept the petition & allow the reliefs sought.
2. The Commission examined the petition in detail along with the compliance report and heard the arguments of the Petitioners in the above matter. The primary dispute surfaced from the practical and regulatory challenges in implementing the HERC (Deviation Settlement Mechanism and related matters) Regulations, 2025, specifically regarding the transition from plant-wise to unit-wise accounting. The petitioners contended that while the Commission previously directed unit-wise implementation in its order dated 18/02/2021 (HERC/PRO-76 of 2020), technical constraints identified in a joint feasibility report dated 08/10/2021, demonstrate that unit-wise ex-bus generation cannot be accurately calculated with existing infrastructure. This report specifically points that auxiliary station transformers (ST-1 and ST-2) feed common auxiliaries for multiple units, making it impossible to assign specific energy consumption to a single unit without loss of synchronism or significant infrastructure overhaul. Legally, this creates a conflict with Regulation 5 of the HERC MYT Regulations, 2024, which stipulates that tariff determination and scheduling for state generators like HPGCL should be aligned with plant-wise categorization. Further, the petitioners rely on Sections 62, 63, and 86(1)(b) of the Electricity Act, 2003, arguing that the "Reference Charge Rate" for DSM should be linked to the energy charges determined by the Commission, which are currently structured on a plant-wise basis for different stations. The compliance report submitted on 02/07/2026, further supports this by highlighting that the CERC Deviation Settlement Mechanism Regulations, 2024, explicitly mandate station-wise implementation. The report provided a comparative analysis of sixteen other states, including Gujarat, Rajasthan, and Punjab, showing a national regulatory consensus toward station-wise or stage-wise DSM to accommodate operational and technical constraints.

3. Regarding the Panipat Thermal Power Station (PTPS), a specific technical issue exists concerning the lack of necessary metering for even plant-wise implementation between its distinct units. A joint site visit conducted on 11/07/2025, revealed that Special Energy Meters (SEMs) and 0.2 class accuracy CT/PT units must be installed at the bus sectionalizer of Units 5 and 6 to enable accurate accounting. Consequently, the petitioners argued that implementing DSM Regulations, 2025, at PTPS is physically impossible until these arrangements are finalized, necessitating a deferment to avoid arbitrary penalty assessments.
4. The exclusion of the Western Yamuna Canal (WYC) Hydro Project from the DSM regime constitutes another issue. Although the Commission's order dated 27/05/2025, in Suo-Moto Petition No. 03 of 2025 initially included the project as a "General Seller," the petitioners point to Regulation 15.5 of the HERC MYT Regulations, 2024, which mandates a single-part tariff for WYC based on normative PLF and fixed costs rather than the two-part Availability Based Tariff (ABT) required for DSM. Since WYC has no separate energy charge rate, as confirmed in the HERC order dated 13/03/2025 (Petition No. 64 of 2024), it lacks the "Reference Charge Rate" defined in the DSM Regulations, 2025, for calculating deviations. Additionally, the petitioners argued that because the project utilizes irrigation canal flows regulated by the Irrigation Department rather than natural river flow, and since its individual units are below the 10 MW threshold specified in Regulation 4 of the DSM Regulations, 2025, it should be exempted from the regime.
5. Regarding legal status of the Haryana Power Purchase Centre (HPPC) as the "Buyer" and "Beneficiary" under the DSM framework. Under a Haryana Government Notification dated 11/04/2008, HPPC acts as the centralized procurement agency for both UHBVN and DHBVN. The petitioners argued that maintaining this unified status is essential for "natural balancing," where a deviation by one DISCOM is offset by another, thereby reducing the state's net DSM liability. They submitted that disaggregating this would require a complex and currently non-existent regulatory mechanism for the precise allocation of state-owned generating capacities between the two DISCOMs.

6 Upon careful consideration of the technical reports, report of joint committee constituted in terms of Interim Order dated 05.02.2026 and the national regulatory landscape presented in the compliance report, the Commission allows the petition subject to the directions set out hereunder, issued in exercise of the powers vested in the Commission under Regulations 65 to 68 of the HERC (Conduct of Business) Regulations, 2019.

6.1 The DSM Regulations, 2025, shall be implemented on a plant-wise basis as categorized in regulation 5.1 of the MYT regulations, 2024 for the thermal plants of HPGCL.

6.2 HPGCL is hereby directed to complete the interlinking works between PTPS Unit 6 and PTPS Units 7 & 8, including installation and commissioning of requisite CTs/PTs, metering systems and all allied equipment and arrangements for plant-wise metering and settlement, within one (1) year from the date of this Order. Consequently, the implementation of the DSM Regulations, 2025 in respect of the generating units at PTPS Panipat shall stand deferred for a period of one (1) year from the date of issuance of this Order. HPGCL shall submit a compliance report to the Commission upon completion of the aforesaid works within the stipulated period.

6.3 The Western Yamuna Canal Hydro Project is excluded from the applicability of the DSM Regulations, 2025 on account of its single-part tariff structure and the unit capacity being below the regulatory threshold prescribed for DSM applicability.

6.4 For all operative purposes under the DSM Regulations, 2025, the Haryana Power Purchase Centre (HPPC) shall be recognised and treated as the "Buyer" and the "Beneficiary" on behalf of the State distribution licensees. The foregoing recognition is for the purposes of operational coordination, merit-order optimization, scheduling, accounting and settlement under the DSM Regulations, 2025, and shall not be construed to alter the statutory rights or obligations of the distribution licensees under any law or regulation except as expressly provided herein.

6.5 The State Load Despatch Centre (SLDC) is granted an extension of three (3) months from the date of this Order to submit a detailed procedure under the DSM Regulations, 2025 incorporating and reflecting these modifications and directions.

7 The petition is disposed of, in above terms.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 22/07/2026.

		Sd/-	Sd/-
Date:	**22/07/2026**	**(Shiv Kumar)**	**(Mukesh Garg)**
Place:	**Panchkula**	**Member**	**Member**