

CENTRAL ELECTRICITY REGULATORY COMMISSION

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PRESS RELEASE

CERC notifies regulations for RLDCs fee and charges

The Central Electricity Regulatory Commission has notified the final regulations for the fee and charges to be levied by the National Load Despatch Centre and the Regional Load Despatch Centers under the provisions of the Electricity Act, 2003. These regulations have been framed with the main objective of ensuring financial autonomy of the Load Despatch Centres.

2. Open Access is one of the key features of the Electricity Act and the Load Despatch Centres have a crucial role in implementation of open access. There has been a strongly felt need to ensure functional and financial autonomy to the Load Despatch Centres so that they can discharge their statutory functions in an independent and non-discriminatory manner. Financial autonomy will be one of the key features to ensure that the conflict of interest, if any, between the Govt. owned distribution or trading entities and the Load Despatch Centres is addressed.

3. The following are the key features of the new regulations.

- A dedicated Development Fund to ensure servicing of capital costs and equity contribution for expansion.
- Adequate provision for compensation to skilled manpower needs.
- Special depreciation rate for IT equipments.
- 16% Return on Equity

- Separate fee structure for system operation charges and market operation charges.
- New capital expenditure for modernization of equipment with the approval of the Commission.

4. It may be noted that Forum of Regulators which has the Chairpersons of all the State Electricity Regulatory Commissions as its Members had already agreed that CERC's regulations on fee and charges for RLDCs would be used as model regulations by the State Electricity Regulatory Commissions for framing similar regulations for the SLDCs.

Sd/-
(Alok Kumar)
Secretary