



**BEFORE THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION,
CHENNAI**

Order No.TNERC/M.O. 2/E/Open Access dated 21.07.2009

**Present: Thiru S. Kabilan, Chairman
Thiru R. Rajupandi, Member**

**In the matter of: Recommendations of FOR working group – Open Access:
Theory and Practice - Orders issued.**

1. Section 40 (c) of the Electricity Act, 2003 (Act 36 of 2003) mandates the Transmission Licensee to provide non-discriminatory open access to its transmission system for use by any licensee or generating company or any consumer.
2. Section 31 of the said Act provides for constitution of State Load Despatch Centre (SLDC). It stipulates that State government shall establish SLDC for exercising powers and discharging the statutory functions as laid down under the said Act. The SLDC shall be operated by a government company or any authority or corporation established or constituted by or under any State Act, as may be notified by the State Government. As per the proviso to the said section 31, until a government company or authority or corporation is notified by the State Government, the State Transmission Utility (STU) shall operate the SLDC.
3. As per Section 86(2) (i) of the said Act, the Commission shall advise the State Government on promotion of competition, efficiency and economy in activities of the electricity industry.

4. Para 5.3.3 of the National Electricity Policy which related to non-discriminatory open access reads as follows:

“Regulatory Commissions need to provide facilitative framework for non-discriminatory open access. This requires load despatch facilities with State-of-the art communication and data acquisition capability on real time basis. While this is the case currently at RLDCs, Appropriate State Commissions must ensure that matching facilities with technology upgrades are provided at the State level, where necessary and realized not later than June 2006”

5. In line with the above, the Forum of Regulators (FOR) established under Section 166(2) of the said Act has made certain recommendations on “Open Access: Theory and Practice” to be followed by the State Transmission Utility (STU) / Distribution Licensees.

6. After careful consideration, the Commission decided to accept the recommendations of the FOR and issue the following directions to the State Transmission Utility / Distribution Licensee in Tamil Nadu to fulfill the requirement of non-discriminatory open access.

1. The recommendations of the Committee constituted by the Ministry of Power on Manpower, Certification and Incentives for System Operation and Ring-fencing of LDCs, for staffing pattern, organisation structure and incentives to attract qualified personnel in LDCs communicated in the Commission’s letter dated 24-11-2008 shall be considered by the STU while approving the budgets of SLDCs.
2. **Government of Tamil Nadu and the STU may consider proper ring-fencing of SLDC as per the recommendations of the Committee constituted by the Ministry of Power for promoting competition through open access.**

3. For proper ring-fencing of SLDCs, the practice of their reporting to STU along with Distribution Licensee should be discontinued. Irrespective of whether the TNEB has been reorganized or not, the reporting channels right up to the top for SLDCs and Distribution Licensee has to be separate and distinct, in terms of both position and top management personnel.
4. The STU shall monitor cases for short-term open access in transmission separately on a monthly basis and the Distribution Licensee may monitor the cases for short-term open access in distribution in a separate format which may also include open access on STU networks.
5. The STU / Distribution Licensee shall send a monthly return to the Commission on short term open access details in transmission and distribution separately.

(By order of the Commission)

**Secretary,
Tamil Nadu Electricity Regulatory Commission**

To

The Chairman, Tamil Nadu Electricity Board, Chennai 2.

Copy to the Secretary, Energy Department, GoTN, Chennai – 9.