



Ministry of Power



Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid

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It has been brought to the notice of the Government that some power plants are not generating to their full capacity at any given time and the unutilized capacity remains idle as they are tied up under power purchase agreements. Whereas in the public interest, such power needs to be despatched, where there is a requirement in the grid by the other users or consumers.

As per the Tariff Policy, 2016, power stations are required to be available and ready to dispatch at all times. For optimum utilization of un-requisitioned generation capacity of any generating stations regulated under Section 62 as well as those having PPA under Section 63 of the Electricity Act, 2003, the generators have been permitted to sell power in the power market in consonance with laid down policy of the Central Government.


Keeping the above factors in view and after careful consideration, Union Minister of Power and MNRE Shri R K Singh approved the following guidelines in accordance with the aforesaid provisions of the Tariff Policy, 2016.

- i. Where the procurer does not requisition power from the power plant with which he has signed the Power Purchase Agreement (PPA), upto 24 hours in advance prior to 00.00 hrs of the day of delivery of power, the generator shall be free to sell the un-requisitioned power in the power exchange.
- ii. Where the procurer decides not to schedule power for any period, either full or part capacity, from the generating station with which he has signed the PPA, which may be more than 24 hours in advance, the generator shall be free to sell the un-requisitioned power, for the period for which it has not been requisitioned, in the power exchange.
- iii. The developer and the procurers having the PPA would share the gains realized from sale, if any, of such un-requisitioned power in (i) and (ii) above in power exchange in the ratio of 50:50, if not otherwise provided in the PPA. Such gain will be calculated as the difference between selling price of such power and the Energy Charge Rate (ECR) as determined under section 62 or section 63 of the Electricity Act 2003.
- iv. The obligation for the procurer with regard to the fixed charges shall remain same in accordance with the PPA.
- v. The above provisions shall apply both for the power plants whose tariff has been determined under Section-62 or Section-63 of the Electricity Act 2003.

The power plants shall continue to have obligations and duties to make their plants available as per the terms of the PPA.



 MV/IG

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