

KARNATAKA ELECTRICITY REGULATORY COMMISSION
No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052
NOTIFICATION

No: KERC/OP06/2024/249

Date:24.06.2024

**Karnataka Electricity Regulatory Commission (Merit Order Despatch and
Optimization of Power Purchase Cost) Regulations, 2024.**

1. Preamble:

The Karnataka Power Corporation Limited (KPCL) had filed the Petition No. OP 06/2021 before the Commission inter-alia praying for:

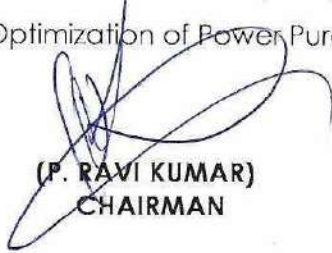
1. Framing detailed operating procedure for scheduling and despatch in consultation with generators and licensees and ensure its implementation with due approval of the Commission.
 2. The State Load Despatch Centre (SLDC) to comply with the provisions of the Karnataka Electricity Grid Code (KEGC) and to compute the Landed Cost of power at the State periphery or delivery of power at the transmission network of KPCL by including all the costs incurred in respect of each generating station, including transmission cost and not to consider the rates/figures offered by the generating companies.
 3. The cost components to be considered for preparing Merit Order Despatch (MOD) based on the actual costs incurred and associated costs incurred for procurement/purchase of power by the Distribution Licensees.
2. The Commission has heard the Petitioner and the Respondents in the matter. The Respondents also requested the Commission to frame detailed procedure concerning scheduling and despatch, as per the procedure established under the KEGC to meet the requirement in the State of Karnataka. Hence, the Commission has decided to issue draft Regulations on the Merit Order Despatch to ensure optimisation of the power purchase costs being incurred by the Distribution Licensees.

3. The Commission invited comments/suggestions/views from the interested persons and stakeholders. The Commission has also conducted a public hearing on 06.03.2023, to elicit the views of the public and stakeholders on the draft Karnataka Electricity Regulatory Commission (Merit Order Despach and Optimization of Power Purchase Cost) Regulations, 2022, issued by the Commission. The Commission has considered the views/ comments/suggestions received from the stakeholders.
4. As per Section 181 read with Sections 61, 62 and 66 of the Electricity Act 2003, the Karnataka Electricity Regulatory Commission (Commission) is mandated to specify the principles for preparation of Merit Order Stack, for despatch Scheduling and guidelines for capacity declarations, zero scheduling, Unit Shut Down etc, within the State of Karnataka.

Therefore, in exercise of the power conferred on it under Section 86(1) read with Sections 181,61,62 of the Act, and all the powers enabling it in this behalf, the Commission hereby makes the Regulations, namely Karnataka Electricity Regulatory Commission (Merit Order Despach and Optimization of Power Purchase Cost) Regulations, 2024.

Order

After considering the views/ objections/comments/ suggestions of the stakeholders on the draft regulations, the Commission hereby approves the Karnataka Electricity Regulatory Commission (Merit Order Despach and Optimization of Power Purchase Cost) Regulations, 2024.


(P. RAVI KUMAR)
CHAIRMAN


(H.K. JAGADEESH)
MEMBER (LEGAL)


(JAWAID AKHTAR)
MEMBER