

KARNATAKA ELECTRICITY REGULATORY COMMISSION
6th & 7th Floors, Mahalaxmi Chambers,
No.9/2, M.G. Road, Bangalore -560 001

Date: 21.6.2006

PRESS NOTE

KERC introduces Intra-state Availability Based Tariff in the State

The Commission has issued an Action plan for implementation of Intra-state Availability Based Tariff (ABT) in the State. Intra-state ABT paves way for efficient management of load within the State by each of the Distribution companies by means of incentives and disincentives., The incentives and disincentives which are presently available under the inter-state ABT regime to the central generating stations like NTPC, NLC etc would also be available to the generating stations within the state under Intra- State ABT. Intra-state ABT is expected to optimize the generation in the state for better utilization of resources.

It may be recalled that inter-state ABT in the Southern region has been implemented from January 2003, which has resulted in good grid discipline, improvement in the grid frequency and better management of available capacity from central generating stations. For realizing similar benefits, National Electricity Policy envisaged introduction of intra-state ABT within one year and consequently Forum of Indian Regulators (FOIR) had constituted a sub-committee to recommend measures for implementation of Intra-State ABT. The sub-Committee furnished its recommendations in November 2005.

The Commission had earlier issued a draft Action Plan for implementation of intra-state ABT in December 2005 inviting suggestions/comments from stakeholders/experts. Considering the suggestions/comments received, the Commission has finalized the Action Plan. KPTCL/ ESCOMs have responded positively and KPTCL has constituted a taskforce under the Chairmanship of MD/KPTCL to implement the intra-state ABT.

The Commission has approved implementation of the intra-state ABT in a phased manner wherein required accuracy class interface meters between the ESCOMs

and KPTCL and with the generating companies shall be put in place before the end of June 06 and proxy implementation of ABT on the basis of half an hour scheduling would take place from Oct 06 to March 07. In the second phase from April 07, the entities are required to pay UI charges on half an hour basis and in the final stage commencing from October 2007 full implementation on scheduling and UI charges on 15-minute basis would be implemented. Area Load Despatch Centres shall be established by each of the 5 ESCOMs by December 2006.

The intrastate ABT would be applicable to all generating stations in the state with an installed capacity of 25 MW & above including IPPs, Captive power plants, Co-generation & Biomass plants and the same would not be applicable for the present to the conventional Hydro power plants. Further intrastate ABT is not applicable to Wind & Mini-Hydel Plants.

The detailed order of the Commission is available on our web-site www.kerc.org.

Secretary
KERC