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PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

The 2nd December, 2025

No. PSERC/Secy./Regu. 199- In exercise of the powers conferred under sub-section (3) of Section 32, sub-section (4) of Section 33, Sections 66, Clauses (c) and (h) of sub-section (1) of Section 86, and Clauses (g) and (zp) of sub-section (2) of Section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf and after previous publication, the Punjab State Electricity Regulatory Commission hereby makes the following regulations, namely:

1. Short Title, Extent and Commencement

1. These Regulations may be called the Punjab State Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2025.
2. These Regulations shall come into force from 01.04.2026;
3. These Regulations shall extend to whole of the State of Punjab.

2. Definitions and Interpretation

In these Regulations, unless the context otherwise requires -

- 1) ‘**Act**’ means the Electricity Act, 2003 (36 of 2003);
- 2) ‘**Actual drawal**’ in a time-block means electricity drawn by a Buyer, as measured by the interface meters;
- 3) ‘**Actual injection**’ in a time-block means electricity injected by the Seller, as measured by the interface meters;
- 4) ‘**Ancillary Services**’ means the Ancillary Services as defined in the Ancillary Services Regulations;
- 5) ‘**Ancillary Services Regulations**’ means the Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2022, as amended from time to time and shall include any re-enactment thereof;

- 6) **‘Area Clearing Price (ACP)’** means the price of an electricity contract for a time block transacted on the Power Exchange after considering all valid buy and sale bids in particular area(s) after market splitting;
- 7) **‘Buyer’** means a person, including distribution licensee, deemed distribution licensees or open access consumer connected to InSTS, purchasing electricity through a transaction scheduled in accordance with the State Grid Code and/or regulations applicable for short-term open access, medium-term open access and long-term access, as may be applicable;
- 8) **‘Connectivity Regulations’** means the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-state Open Access) Regulations, 2011, as amended from time to time and shall include any subsequent amendment thereof;
- 9) **‘Commission’** means the Punjab State Electricity Regulatory Commission referred to in sub-section (1) of section 82 of the Act;
- 10) **‘Contract rate’** means
 - (i) in respect of a MSW seller and such other entity, whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/kWh tariff as determined or adopted or approved by the Appropriate Commission; or
 - (ii) in respect of a MSW seller and such other entity, whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, and selling power through power exchange(s), the price as discovered in the Power Exchange for the respective transaction; or
 - (iii) in respect of a MSW seller and such other entity, selling power through open access to a third party or in case of captive consumption of a captive generating plant based on renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all Power Exchanges for the respective time block;
 - (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the contract rates of all such contracts or transactions, as the case may be.
- 11) **‘Deviation’** in a time-block for a Seller means its total actual injection minus its total scheduled generation and for a Buyer means its total actual drawal minus its total scheduled drawal and shall be computed as per Regulation 9 of these regulations;
- 12) **‘Deviation Settlement Mechanism’** shall mean and include the framework for energy accounting, deviation accounting, rules for pricing of deviation(s) payable and receivable by the State entities and other design parameters as specified in these Regulations;
- 13) **‘Full Open Access Consumer’** shall mean Open Access Consumer connected to transmission system or distribution system but not having any contract demand with the distribution licensee within the state;
- 14) **‘Gaming’** in relation to these Regulations, shall mean an intentional mis-declaration of declared capacity by any Seller or intentional mis-declaration of drawal schedule by any Buyer in order to make an undue commercial gain through Charge for Deviations;

- 15) **‘General seller’** means a seller in case of a generating station based on resources other than wind or solar or hybrid of wind-solar resources;
- 16) **‘Grid Code’** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- 17) **‘Indian Electricity Grid Code’ (or ‘IEGC’)** means the Grid Code specified by the Central Electricity Regulatory Commission under Section 79(1)(h) of the Act;
- 18) **Integrated Day Ahead Market** means a market where Day Ahead Contracts are transacted on the power exchanges, including collective transactions under Day Ahead Market (DAM), Green Day Ahead Market (Green DAM), and High Price Day Ahead Market (HP-DAM);
- 19) **‘Interface Meters’** means interface meters as defined by the Central Electricity Authority under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time;
- 20) **‘Load Despatch Centre’** means National Load Despatch Centre, Regional Load Despatch Centre or State Load Despatch Centre, as the case may be, responsible for coordinating, scheduling of the Buyers and the Sellers in accordance with the provisions of Grid Code;
- 21) **‘MSW seller’** means a seller in the case of a generating station based on Municipal Solid Waste and includes Refuse Derived Fuel (RDF) based MSW generating station;
- 22) **‘Normal Rate of Charges for Deviation (NR)’** means the charges for deviation (in paise/kWh) as referred to in Regulation 10 of these regulations;
- 23) **‘Open Access Regulations’** means the Punjab State Electricity Regulatory Commission (Terms and conditions for Intra-State Open Access) Regulations, 2011, as amended from time to time;
- 24) **‘Partial Open Access Consumer’** shall mean Open Access Consumer connected to the transmission system or distribution system and having his contract demand with the distribution licensee within the state;
- 25) **‘Reference Charge Rate’ or ‘RR’ means**
 - (i) in respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/kWh energy charge as determined or adopted or approved by the Appropriate Commission, or
 - (ii) in respect of a general seller whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1) (b) of the Act, and selling power through power exchange(s), the price as discovered in the power exchange for the respective transaction; or
 - (iii) in respect of a general seller selling power through open access to a third party or in case of captive consumption of a captive generating plant based on resources other than renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all the Power Exchanges for the respective time block; or
 - (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the reference rates of all such contracts or transactions.

- 26) **‘Renewable Rich State’ or ‘RE-rich State’** means a State whose combined installed capacity of solar and wind generating stations under the control area of the State is 1000 MW or more but less than 5000 MW;
- 27) **‘Renewable Super Rich State’ or ‘RE Super-rich State’** means a State whose combined installed capacity of solar and wind generating stations under the control area of the State is 5000 MW or more;
- 28) **‘Run-of-River Generating Station’ or ‘RoR generating station’** means a hydro generating station which does not have upstream pondage;
- 29) **‘Scheduled Generation or Scheduled Injection’** at any time or for a time block or any period means schedule of generation or injection in MW or MWh ex-bus including schedule for Ancillary Services given by the concerned Load Despatch Centre;
- 30) **‘Scheduled Drawal’** at any time or for a time block or any period time block means schedule of drawal in MW or MWh ex-bus including schedule for Ancillary Services given by the concerned Load Despatch Centre;
- 31) **‘Seller’** means a person, including a generating station or unit of generating station including Captive Power Plant, supplying electricity through a transaction scheduled in accordance with the State Grid Code and/or regulations applicable for short-term open access, medium-term open access and long-term open access, as may be applicable;
- 32) **‘State Deviation Pool Account’** means the State Account for receipts and payments on account of deviations by Buyers and Sellers;
- 33) **‘State Entity’** means such person who is in the SLDC control area and whose metering and energy accounting is done at the state level;
- 34) **‘State Load Despatch Centre’ or ‘SLDC’** means the Load Despatch Centre of the State established under sub section (1) of section 31 of the Act, responsible for co-ordinating scheduling of the state entities in accordance with the provisions of State Grid Code;
- 35) **‘Time-Block’** means a time block of 15 minutes or any such shorter duration as may be notified by the Commission, for which specified electrical parameters and quantities are recorded by a special energy meter, with the first time block starting at 00.00 hours;

Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these Regulations and not defined, but defined in the Act, or the Grid Code or any other Regulations of this Commission shall have the meaning assigned to them respectively in the Act or the Grid Code or any other regulation as the case may be.

3. Objective

The objective of these Regulations is to maintain grid discipline and grid security as envisaged under the Grid Code through a commercial mechanism so that grid users do not deviate from and adhere to their schedule of drawal and injection of electricity.

4. Applicability

These Regulations shall apply to the Seller(s) and Buyer(s) involved in the transactions facilitated through short- term open access or medium-term open access or long-term

access using intra-state transmission system (InSTS) and/or distribution system of electricity (and when such Intra-State system is used in conjunction with Inter-State transmission system) subject to the following conditions:

- (A) Deviation Settlement Mechanism under these Regulations shall be applicable for all Seller(s) having installed capacity of 5 MW and above (or such other threshold capacity), including renewable energy generators (excluding wind and solar generating stations), open access generators, captive generators (excluding in-situ captive generators) connected to intra-State transmission system;

Provided that, the revision in the threshold capacity limit shall be separately notified by the Commission in stages considering implementation issues;

Provided further that the Sellers with installed capacity below the threshold capacity connected to Intra-State transmission system and all the Sellers, irrespective of the installed capacity, connected to distribution system for supply of power to the licensee and/or to the third party or captive consumption and availing open access shall furnish schedule to SLDC and shall be governed by PSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2011, as amended from time to time;

Provided also that, forecasting, scheduling and deviation settlement related matters regarding wind and solar generation shall be governed as per the provisions of Punjab State Electricity Regulatory Commission (Forecasting, Scheduling and Deviation Settlement for Solar and Wind Generation) Regulations, 2019” and its amendments thereof;

Provided also that the Solar and Wind generators with installed capacity below the threshold capacity, as specified by the Commission in PSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019 connected to intra-State transmission or the distribution system for supply of power to the licensee and/or consumer or captive consumption and availing open access shall furnish schedule to SLDC and shall be governed by PSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2011, as amended from time to time.

Provided also that, in case of a Captive Power Plant (CPP) connected to InSTS or the distribution system wheeling power under Open Access Regulations and availing Standby power under PSERC (Harnessing of Captive Power Generation) Regulations, 2022, as amended from time to time, the overdrawal during the period of Standby power shall be as per PSERC (Harnessing of Captive Power Generation) Regulations, 2022, as amended from time to time.

- (B) Deviation Settlement Mechanism under these Regulations shall be applicable for all Buyer(s) including distribution licensee(s), deemed distribution licensee(s) located in the state and full open access consumers connected to Intra-State transmission system (InSTS);

Provided that the Scheduling and Deviation Settlement of partial open access consumers connected to Intra-State transmission system and all open access consumers connected to the distribution network shall be in accordance with the provisions of the PSERC (Terms and conditions for intra-state open access) Regulations, 2011, as amended from time to time;

Provided further that, in case of full open access consumers connected to InSTS

and availing standby power under Open Access Regulations, the overdrawal during the period of standby power shall be dealt as per the PSERC (Terms and Conditions for Intra-State Open Access) Regulations, 2011.

5. Duties of State Load Despatch Centre and State Entities

These Regulations aim to govern the functioning of various State entities in a way that discipline is maintained with regards to the injection and drawal of energy by such State entities and the reliability and integrity of the system is maintained.

To meet these objectives, necessary preconditions and covenants for participation by the State entities shall be as under:

- (1) The State entities shall inform the SLDC of all contracts that they have entered into for exchange of energy.
- (2) The State entities shall operate their generating equipment and loads in a manner that is consistent with the provisions of the Punjab State Grid Code and Indian Electricity Grid Code, 2023.
- (3) To gain physical access and connection to the intra-State transmission system (InSTS) or the distribution system, the State entities shall enter into a Connection Agreement/Open Access Agreement with the concerned transmission licensee or the distribution licensee. This agreement shall specify physical and operational requirements for reliable operation of InSTS or the distribution system as the case may be, in accordance with Punjab State Electricity Regulatory Commission (Terms and Conditions of Intra State Open Access) Regulations, 2011 and its amendments thereof. The State Transmission Utility (STU) or the distribution licensee, as the case may be, shall make necessary arrangements for installation of suitable meters with Automated Meter Reading (AMR) facility, capable of recording energy flows at 15-minute intervals or any other time interval as specified by the Commission, at the points of injection and drawal of the State entities. The time synchronisation of the metering system shall be through Global Positioning System with counter check from the State Energy Accounting Centre, which is the SLDC.
- (4) SLDC shall take all decisions regarding the despatch of generating stations after evaluating all the possible network parameters, constraints, congestions in the transmission network. In the event of any network aberration, the instructions issued by the SLDC relating to despatch and drawal shall be binding on all State entities.
- (5) SLDC shall publish on its website all such information as required for all other State entities to be aware of the energy exchanges taking place within the pool as well as exigency conditions, if any with regard to the despatch of power.

6. Principles for Operationalising Deviation Settlement Mechanism

The framework for Deviation Settlement Mechanism shall cover the following key design parameters, viz., (a) Scheduling Period (b) Guiding Principles for Scheduling and Despatch (c) Deviation (d) Settlement Period (e) Measurement Unit for State Deviation Pool Account (f) Allocation of Losses.

- (A) Scheduling Period:** The scheduling period shall comprise of 96-time blocks or such other number of time blocks as may be specified by the Commission, each of 15-minute duration, or such other time duration as may be specified starting from

00:00 hours (IST) ending with 24:00 hours (IST). The first time block of scheduling period shall commence from 00:00 hours (IST) to 00:15 hours (IST), second time block of scheduling period shall commence from 00:15 hours (IST) to 00:30 hours (IST) and so on or such other period as the Commission may specify.

(B) Guiding Principles for Scheduling and Despatch: For secure and stable operation of the Grid, every grid connected state entity shall adhere to its schedule as per State Grid Code and shall endeavour not to deviate from its schedule. All the Sellers and Buyers under these Regulations shall be guided by the scheduling and despatch procedure in accordance with the provisions of the Punjab State Grid Code and amendments thereof. The scheduling and despatch Code shall be governed by following principles:

- i. Based on the availability given by generators (Sellers) and load requirement forecasted by Buyers, the SLDC shall draw up the least cost despatch schedule on Day Ahead basis for the State Entities in accordance with the merit order principles as specified in State Grid Code or the guidelines as may be approved by the Commission separately, if required, in accordance with the State Grid Code.
- ii. Wheeling transactions of captive users and open access consumers shall be despatched as contracted, subject only to transmission constraints and system emergency conditions.
- iii. Transactions/submission of generation data of SGS operating under distribution licensee:

The SGS shall make an advance declaration of ex-power plant MW and MWh capabilities foreseen for the next day to the SLDC in accordance with the provisions of the State Grid Code.

- iv. During real time operation, in case the grid parameters including frequency, voltage, transmission line loading and substation loading conditions deviate beyond permissible operating range, the SLDC shall take suitable measures in the interest of reliable and safe grid operations or to ensure compliance of RLDC instructions in conformity with the provisions of the DSM Regulations of Central Commission and the amendments thereof.

Accordingly, the SLDC shall issue necessary despatch or curtailment instructions in accordance with least cost despatch schedule order, so as to maintain the load generation balance and comply with conditions stipulated under the IEGC and the State Grid Code

The SLDC shall maintain and publish a separate account of such actions initiated by it in the interest of grid operations or in compliance of RLDC instructions in conformity with DSM Regulations of the Central Commission. The SLDC shall publish a monthly report of exchange of power capacity, if any, amongst the State Entities consequent to such SLDC interventions.

The time block wise settlement of such exchange of power on account of such actions initiated by SLDC shall be settled at the applicable Deviation rate for the state at the state periphery for the respective time block.

(C) Deviation: For the purposes of deviation settlement amongst the State entities, the SLDC shall work out deviation for State Deviation Pool Account comprising over-drawal/under-drawal and over-injection/under-injection for each State Entity

corresponding to each scheduling period. Charges for Deviation shall be computed in accordance with regulation 9 and 11 of these regulations.

- (D) **Settlement Period:** Preparation and settlement of the 'State Deviation Pool Account' shall be undertaken on a weekly basis coinciding with the mechanism followed for the regional Deviation Settlement Accounts.
- (E) **Measurement Unit for State Deviation Pool Account:** The measurement unit for the State Deviation Pool Account for Volume shall be Megawatt hours (MWh) and for Value (payable and receivable) shall be in Indian Rupees (INR). The decimal component of the energy unit (MWh) and amount (INR) shall be rounded off to the nearest integer value. In addition, the interface meters and the state energy account shall capture the reactive energy exchange over interface points, however, the reactive energy pricing framework and compensation for reactive energy exchange shall be dealt with separately.
- (F) **Allocation of Losses:** For the purpose of scheduling, intra-state transmission system losses as approved by the Commission shall be allocated amongst the State entities in proportion to the scheduled drawal by each State Entity;

Provided that the State Load Despatch Centre shall maintain an account of the actual intra-state transmission system loss for each time block and publish on its website a reconciliation statement of the monthly average intra-state transmission loss and the 52-week average intra-state transmission vis-à-vis approved loss by the Commission.

7. Declaration of Capacity and Scheduling

- (1) The provisions of the Punjab State Grid Code and Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2011, as amended from time to time, shall be applicable for declaration of capacity and scheduling.
- (2) The generating Unit, as far as possible, shall generate electricity as per the day-ahead generation schedule finalized by the SLDC in accordance with the Punjab State Grid Code;

Provided that the revision in generation schedule on the day of operation shall be permitted, in accordance with Punjab State Grid Code, as amended from time to time.

8. Treatment for Gaming

- (1) The Commission, either suo-motu or on a Petition made by the SLDC, or any affected party, may initiate proceedings against any Seller or any Buyer on charges of gaming and if required, may order an enquiry to be made by such officer of the Commission or such other party as the Commission may deem fit. The enquiry officer so appointed shall submit his findings after hearing all the affected parties within such time as may be fixed by the Commission and such investigating officer or authority shall exercise all powers as envisaged under Section 128 of the Act.
- (2) If in the proceeding initiated by the Commission or in the enquiry made in this regard under Clause (1) above, it is established that any Seller or any Buyer has indulged in gaming, the Commission may without prejudice to any other action under the Act or Regulation made thereunder, disallow any Charges for Deviation to such Seller or Buyer during the period of such gaming.

9) COMPUTATION OF DEVIATION

- (1) Deviation in a time block for general sellers shall be computed as follows:

Deviation-general seller (D_{GS}) (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)].

Deviation-general seller (D_{GS}) (in %) = $100 \times \frac{[(\text{Actual injection in MWh}) - (\text{Scheduled generation in MWh})]}{[(\text{Scheduled generation in MWh})]}$.

- (2) Deviation in a time block for buyers shall be computed as follows:

Deviation- buyer (D_{BUY}) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)].

Deviation- buyer (D_{BUY}) (in %) = $100 \times \frac{[(\text{Actual drawal in MWh}) - (\text{Scheduled drawal in MWh})]}{[(\text{Scheduled drawal in MWh})]}$.

10. NORMAL RATE OF CHARGES FOR DEVIATIONS

- (1) The Normal Rate (NR) of charges for deviation for a particular time block shall be the highest of (A), (B) or (C), where (A), (B) and (C) are as follows:

(A) the weighted average ACP (in Paise /kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges;

(B) the weighted average ACP (in Paise /kWh) of the Real Time Market segments of all the Power Exchanges;

(C) the sum of:

(a) $\frac{1}{3}$ [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];

(b) $\frac{1}{3}$ [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and

(c) $\frac{1}{3}$ [Ancillary Service Charge (in paise/kWh) computed based on the total quantum of Ancillary Services (SRAS UP and TRAS UP) deployed and the net charges payable to the Ancillary Service Providers for all the Regions]:

Provided that in case of non- availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered.

- (2) The normal rate of charges for deviation shall be rounded off to the nearest two decimal place.

11. CHARGES FOR DEVIATION

- (1) Charges for Deviation, in respect of a **general seller (other than an RoR generating station and a generating station based on municipal solid waste)** shall be as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
(I) For Deviation upto [10% D_{GS} or 40 MW, whichever is less] and f within f_{band}	
(i) @ RR when $[49.97 \text{ Hz} \leq f \leq 50.03 \text{ Hz}]$	(iv) @ RR when $[49.97 \text{ Hz} \leq f \leq 50.03 \text{ Hz}]$
(ii) When $[50.03 \text{ Hz} < f \leq 50.05 \text{ Hz}]$, for every increase in f by 0.01Hz, charges for deviation for such seller shall be reduced by 25% of RR so that charges for deviation become 50% of RR when $f = 50.05 \text{ Hz}$	(v) When $[50.03 \text{ Hz} < f \leq 50.05 \text{ Hz}]$, for every increase in f by 0.01Hz, charges for deviation for such seller shall be reduced by 7.5% of RR so that charges for deviation become 85% of RR when $f = 50.05 \text{ Hz}$
(iii) When $[49.97 \text{ Hz} > f \geq 49.90 \text{ Hz}]$, for every decrease in f by 0.01Hz, charges for deviation for such seller shall be increased by 2.15% of RR so that charges for deviation become 115% of RR when $f = 49.90 \text{ Hz}$	(vi) When $[49.97 \text{ Hz} > f \geq 49.90 \text{ Hz}]$, for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 7.15% of RR so that charges for deviation becomes 150% of RR when $f = 49.90 \text{ Hz}$
(II) For Deviation up to [10% D_{GS} or 40 MW, whichever is less] and f outside f_{band}	
(i) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$: Provided that such seller shall pay @ 10% of RR when $[f \geq 50.10 \text{ Hz}]$	(iii) @ 85 % of RR when $[f > 50.05 \text{ Hz}]$
(ii) @ 115 % of RR when $[f < 49.90 \text{ Hz}]$	(iv) @ 150 % of RR when $[f < 49.90 \text{ Hz}]$
(III) For Deviation beyond [10% D_{GS} or 40 MW, whichever is less] and f within and outside f_{band}	
(i) @ zero when $(f < 50.10 \text{ Hz})$: Provided that such seller shall pay @ 10% of RR when $[f \geq 50.10 \text{ Hz}]$	(ii) @ RR when $[f \geq 50.00 \text{ Hz}]$; (iii) @ 150% of RR when $[49.90 \text{ Hz} \leq f < 50.00 \text{ Hz}]$; and (iv) @ 200% of RR when $[f < 49.90 \text{ Hz}]$

Note: System frequency = f and $f_{band} = 49.90 \text{ Hz} \leq f \leq 50.05 \text{ Hz}$

- (2) Charges for Deviation, in respect of a **general seller being an RoR generating station**, shall be **without any linkage to grid frequency**, as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
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(i) @ RR for deviation up to $[15\% D_{GS} \text{ or } 60 \text{ MW, whichever is less}]$; (ii) @ Zero for deviation beyond $[15\% D_{GS} \text{ or } 60 \text{ MW, whichever is less}]$	(iii) @ RR for deviation up to $[15\% D_{GS} \text{ or } 60 \text{ MW, whichever is less}]$; (iv) @ 105% of RR for deviation beyond $[15\% D_{GS} \text{ or } 60 \text{ MW, whichever is less}]$ and up to $[20\% D_{GS} \text{ or } 80 \text{ MW, whichever is less}]$; (v) @ 110% of RR for deviation beyond $[20\% D_{GS} \text{ or } 80 \text{ MW, whichever is less}]$.
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- (3) Charges for Deviation, in respect of a **general seller being a generating station based on municipal solid waste**, shall be without any linkage to grid frequency, as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
(i) @ contract rate for deviation upto $[20\% D_{GS}]$; (ii) @ Zero for deviation beyond $[20\% D_{GS}]$;	(iii) @ contract rate for deviation upto $[20\% D_{GS}]$; (iv) @ 110% of contract rate for deviation beyond $[20\% D_{GS}]$.

- (4) Charges for Deviation, in respect of a Standalone Energy Storage System (ESS), shall be the same as applicable to a **general seller (other than an RoR generating station and a generating station based on municipal solid waste)** as specified in Clause (1) of this Regulation:

Provided that in the charging mode, deviation by way of over drawal shall be treated as under injection and deviation by way of under drawal shall be treated as over injection and the charges for deviation shall be settled accordingly.

- (5) Charges for Deviation, in respect of a **Buyer**, shall be receivable or payable as under:

Deviation by way of under drawal (Receivable by the Buyer)	Deviation by way of over drawal (Payable by the Buyer)
(I) For VL_B (1) and f within f_{band}	
i) @ 90% of NR when $f = 50.00 \text{ Hz}$;	iv) @ NR when $f = 50.00 \text{ Hz}$;
ii) When $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$, for every increase in f by 0.01 Hz , charges for deviation for such buyer shall be decreased by 8% of NR so that charges for deviation become 50% of NR when $f = 50.05 \text{ Hz}$;	v) When $50.00 < f \leq 50.05 \text{ Hz}$, for every increase in f by 0.01 Hz , charges for deviation for such buyer shall be decreased by 5% of NR so that charges for deviation become 75% of NR when $f = 50.05 \text{ Hz}$;

iii) When $[50.00\text{Hz} > f \geq 49.90\text{Hz}]$, for every decrease in f by 0.01Hz , charges for deviation for such buyer shall be increased by 1% of NR so that charges for deviation become 100% of NR when $f = 49.90\text{Hz}$;	vi) When $[50.00\text{ Hz} > f \geq 49.90\text{ Hz}]$, for every decrease in f by 0.01Hz , charges for deviation for such buyer shall be increased by 5% of NR so that charges for deviation become 150% of NR when $f = 49.90\text{Hz}$.
(II) For VL_B (1) and f outside f_{band}	
(i) @ zero when $[50.05\text{ Hz} < f < 50.10\text{ Hz}]$: Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10\text{ Hz}]$;	(iii) @ 50% of NR when $[50.05\text{ Hz} < f < 50.10\text{ Hz}]$; (iv) @ zero when $[f \geq 50.10\text{ Hz}]$;
(ii) @ NR when $[f < 49.90\text{ Hz}]$;	(v) @ 150 % of NR when $[f < 49.90\text{Hz}]$.
(III) For VL_B (2) and f within and outside f_{band}	
(i) @ 80% of NR when $f \leq 50.00\text{ Hz}$; (ii) @ 50% NR when $[50.00\text{Hz} < f \leq 50.05\text{ Hz}]$; (iii) @ zero when $[50.05\text{ Hz} < f < 50.10\text{ Hz}]$: Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10\text{ Hz}]$;	(iv) @ 150% of NR when $f < 50.00\text{ Hz}$; (v) @ NR when $[50.00\text{ Hz} \leq f \leq 50.05\text{ Hz}]$; (vi) @ 75% NR when $[50.05\text{Hz} < f < 50.10\text{Hz}]$; (vii) @ zero when $[f \geq 50.10\text{ Hz}]$.
(IV) For VL_B (3) and f within and outside f_{band}	
(i) @ zero when $f < 50.10\text{ Hz}$: Provided such buyer shall pay @ 10% of NR when $[f \geq 50.10\text{ Hz}]$;	(ii) @ 200% of NR when $f < 50.00\text{ Hz}$; (iii) @ NR when $[50.00\text{ Hz} \leq f < 50.10\text{ Hz}]$ (iv) @ 50% of NR when $[f \geq 50.10\text{ Hz}]$.

Note: Volume Limits for Buyer:

	Buyer	Volume Limit
a.	Buyer <u>other than</u> (the buyer with a Schedule less than 100 MW and PSPCL	$\text{VL}_B(1)$ = Deviation upto $[10\% D_{\text{BUY}}$ or 20MW, whichever is less] $\text{VL}_B(2)$ = Deviation [beyond $10\% D_{\text{BUY}}$ or 20MW, whichever is less] and up to $[15\% D_{\text{BUY}}$ or 30 MW, whichever is less] $\text{VL}_B(3)$ = Deviation beyond $[15\% D_{\text{BUY}}$ or 30MW, whichever is less]
b.	Buyer with a schedule up to 100 MW	$\text{VL}_B(1)$ = Deviation $[10\% D_{\text{BUY}}$ or 2 MW, whichever is less] $\text{VL}_B(2)$ = Deviation beyond $[10\% D_{\text{BUY}}$ or 2 MW, whichever is less] and up to $[15\% D_{\text{BUY}}$ or 3 MW, whichever is less] $\text{VL}_B(3)$ = Deviation beyond $[15\% D_{\text{BUY}}$ or 3 MW, whichever is less]
c.	PSPCL (Being single	$\text{VL}_B(1)$ = Deviation upto 170 MW

Distribution licensee of an RE Rich State)	$VL_B(2)$ = Deviation beyond 170 MW & upto 260 MW $VL_B(3)$ = Deviation beyond 260 MW
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(6) Charges for injection of infirm power -

- (i) The charges for injection of infirm power shall be zero, except in cases specified under clauses (ii) and (iii) of this Regulation:
 - (ii) In case of thermal generating stations, the infirm power injected into the grid from the date of first synchronization of the unit up to the successful completion of the trial run shall be paid @ Normal Rate of Charges for Deviations for each time block, subject to a ceiling of ₹ 2.86/kWh.
 - (iii) If infirm power is scheduled after a successful trial run as specified in the Grid Code, the charges for deviation over the scheduled infirm power shall be as applicable for a general seller.
 - (iv) Notwithstanding the provisions of clauses (ii) and (iii) of this Regulation, when the system frequency, $f > 50.05\text{Hz}$, the charges for injection of infirm power or for deviation of scheduled infirm power after the successful trial run by way of over injection by a general seller shall be zero.
- (7) The charges for deviation for drawal of start-up power before the COD of a generating unit or for drawal of power to run the auxiliaries during the shut- down of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate or contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be.
- (8) Notwithstanding anything contained in Clauses (1) to (7) of this Regulation, in case of forced outage or partial outage of a seller, the charges for deviation shall be @ the reference charge rate for a maximum duration of eight time blocks or until the revision of its schedule, whichever is earlier.
- (9) For a Seller whose bids are cleared in the HP-DAM, the 'reference charge rate' for deviation by way of 'under-injection' for the quantum of power sold through HP-DAM shall be equal to the weighted average ACP of the HP-DAM Market segments of all the Power Exchanges for that time block;

12. State Energy Account

- (1) The SLDC shall prepare a statement of the State Energy Account for each time block for the Buyers and Sellers on monthly basis. Data required for the billing of partial open access consumers connected to InSTS and all open access consumers connected to distribution system shall be passed on to the billing centre of the distribution licensee by the SLDC. The billing centre of the distribution licensee shall be responsible for energy accounting, raising and settlement of bills with partial open access consumers connected to InSTS and all open access consumers connected to distribution system. Payments of capacity and energy charges by the Buyers to the Sellers shall be as per the provisions in the respective Power Purchase Agreements or Agreement(s) with respect to transactions through power exchange and through Short Term Open Access, as the case may be.
- (2) The Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to the InSTS and all open access consumers connected to the

distribution network shall be in accordance with the provisions of PSERC (Terms and Conditions for Intra State Open Access) Regulations, 2011, as amended from time to time.

- (3) The SLDC shall be responsible for preparation of weekly Deviation Charges statement to all state entities covered under these regulations and billing and collection of Deviation Charges from the state entities in accordance with Regulation 11 of these Regulations. For preparation of weekly DSM account statement, SLDC shall consider frequency as considered by NRPC in the DSM statement issued to the State, as available on NRPC website or as declared by NRLDC on its website;

Provided that the Provisional State Energy Account and Statement for Deviation Account Settlement should be available on SLDC website for scrutiny and verification by the concerned State Entities for a specified time period. The same would be finalised within a stipulated time period upon addressing comments/discrepancies (if any);

- (4) A detailed energy accounting procedure shall be prepared by the SLDC within 60 days of notification of these Regulations and shall be submitted to the Commission for approval;

Provided that, the SLDC shall undertake a stakeholder consultation by uploading the draft procedure on SLDC's website before its submission to the Commission for approval.

13. Accounting of Charges for Deviation

- (A) A statement of Charges for Deviations levied under these Regulations shall be prepared by the SLDC on a weekly basis (starting Monday 00:00 hrs to Sunday 24.00 hrs). Following modalities and the timelines for various activities shall be as under;

- (i) **Meter Reading:** The Meter Reading of all interface meters shall be fetched automatically through AMR and communicated to SLDC.
- (ii) **Implemented Schedule:** The SLDC shall consider implemented schedule as available in the NRLDC/ SLDC websites and received from Power Exchanges through E-Mail.
- (iii) **Charge for deviations, as applicable.**
- (iv) **Frequency:** For preparation of weekly DSM account statement, SLDC shall consider frequency as considered by NRPC in the DSM statement issued to the State, as available on NRPC website or as declared by NRLDC on its website.

SLDC shall prepare DSM bill within five (5) working days after the receipt of all related data from all concerned as above. The softcopy of the DSM bill shall be made available by publishing it on the SLDC website from the date of issue of DSM bill.

- (B) All payments on account of Charges for Deviation levied under these Regulations and Interest, if any, received for late payment shall be credited to the funds called the "State Deviation Pool Account", which shall be maintained and operated by the SLDC in accordance with the provisions of these Regulations;

Provided that –

- i. The Commission may by Order direct any other entity to operate and maintain “State Deviation Pool Account under these Regulations”.
 - ii. Separate books of accounts shall be maintained for the Principal component and Interest component of Charges for Deviation by the SLDC.
 - iii. The State entities shall comply with all statutory requirements for payment of the applicable statutory levies, taxes and duties, if any.
 - iv. The State entities shall facilitate SLDC in meeting with the reporting requirements of Statutory Authorities, as necessary.
- (C) All payments received in the “State Deviation Pool Account” shall be considered in the following sequence:
- i. Any cost or expense or other charges incurred on recovery of Charges for Deviation.
 - ii. Over dues or penal Interest, if applicable.
 - iii. Normal interest.
 - iv. Dues towards Regional Deviation Pool Account.
 - v. Charges for Deviation.
- (D) The surplus funds in the State Deviation Pool Account at the end of the financial year shall be utilised for the purpose of improvements in power system operations, for undertaking such measures and studies for improvement in reliability, security and safety of grid operations, undertaking capacity building and training programs related to system operations and market operations and for such other purposes as may be specified by Commission or for other schemes as may be devised in consultation with National Load Despatch Centre, or Regional Load Despatch Centre, with prior approval of the Commission;

Provided that, the shortfall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of an additional charge from the State Entities in proportion to the Net Deviation Charges Payable by the concerned State Entity for the applicable weekly settlement period through supplementary bills;

Provided further that SLDC shall prepare scheme(s) and shall submit an annual plan to the Commission for utilisation of surplus funds and implement the scheme(s) only upon the approval of the Commission.

14. Schedule of Payment of Charges for Deviation

- (A) The payment of Charges for Deviation shall have a high priority and the concerned State Entity shall pay the indicated amount within 10 days of the issue of statement of Charges for Deviation by the SLDC into the “**State Deviation Pool Account**”. The State entity shall make the payment irrespective of any mistake/error in the bill. Any revision or modification in the bill on account of any mistake/error in the bill shall be rectified by SLDC in the subsequent bills of the concerned entity.
- (B) If payment against Charges for Deviation is delayed beyond 10 days from the date of issue of the statement by the SLDC, the defaulting State Entity shall pay a simple Interest @ 0.04% for each day of delay.

- (C) All Payment to the entities entitled to receive any amount on account of Charges for Deviation shall be made within two working days of the receipt of payments in the “State Deviation Pool Account”;

Provided that –

- i. In case of delay in the payment of Charges for Deviations into the State Deviation Pool Account and Interest there on if any, beyond 10 days from the date of issue of the Statement of Charges for Deviations, the State entities receiving payment for Deviation or Interest thereon shall be paid from the balance available in the State Deviation Pool Account. In case the balance available is not sufficient to meet the payment to the State Entities, the payment from the State Deviation Pool Accounts shall be made on pro rata basis from the balance available in the State Deviation Pool Account.
 - ii. The liability to pay Interest for the delay in payments to the “State Deviation Pool Account” shall remain till Interest is paid, irrespective of the fact that constituents who have to receive payments, have been paid from the “State Deviation Pool Account” in part or full.
- (D) All the Sellers/Buyers which had at any time during the previous financial year failed to make payment of Charges for Deviation within the time specified in these Regulations shall be required to open a Letter of Credit (LC) equal to 110% of its average payable weekly liability for deviations in the previous financial year, in favour of the SLDC within a fortnight from the date these Regulations come into force.

Provided that if any State entity fails to make payment of Charges for Deviation by the time specified in these Regulations during the current financial year, it shall open a Letter of Credit equal to 110% of weekly outstanding liability in favour of the SLDC within a fortnight from the due date of payment.

Provided further that the LC amount shall be increased to 110% of the payable weekly liability for Deviation in any week during the year, if it exceeds the previous LC amount by more than 50%.;

Illustration

If the average payable weekly liability for Deviation of a State entity during FY 2025-26 is Rs. 2.0 Crore, the State entity shall open LC for Rs. 2.2 Crore in FY 2026-27. If the weekly payable liability during any week in FY 2026-27 is Rs. 3.5 Crore (which is more than 50% of the previous year’s average payable weekly liability of Rs 3.0 Crore), the concerned State entity shall increase the LC amount to Rs. 3.85 Crore (1.1×3.50) by adding Rs. 1.65 Crore.

- (E) In case of failure to pay into the “State Deviation Pool Account” within the specified time of 10 days from the date of issue of the statement of Charges for Deviations, the SLDC shall be entitled to encash the LC of the concerned constituent to the extent of the default and the concerned constituent shall recoup the LC amount within seven days.
- (F) In case of repeated defaults, the State entity may be proceeded against as per Section 56 or other provisions of the Act, as applicable.

15. Governance Structure

- (A) The State Grid Code Review Committee (SGCRC) constituted under Clause 2 of PSERC (Punjab State Grid Code) Regulations, 2013, as amended from time to

time, shall be responsible for monitoring, compliance of these Regulations by the State Entities, providing necessary support & advice to the Commission for suitable modifications/issuance of operating procedures, practice directions, and amendment to the provisions of these Regulations, as may be necessary.

The Commercial & Metering Committee (CMC) constituted under Clause 2.7 of PSERC (Punjab State Grid Code) Regulations, 2013, as amended from time to time, shall be responsible to resolve the issues/disputes relating to Deviation Settlement account under these regulations.

(B) The Commission may constitute a Punjab State Power Committee, which shall perform the following functions:

- i. Monitor compliance of these Regulations by the State Entities and submit an annual compliance report to the Commission.
- ii. Guide the SLDC for modification of procedure(s) to address any implementation difficulties.
- iii. Co-ordinate and facilitate intra-state energy exchange for ensuring optimal utilisation of resources.

Provide necessary support and advice to the Commission for suitable modifications/issuance of operating procedures, practice directions, and amendments to the provisions of these Regulations, as may be deemed necessary. The State Power Committee shall formulate its own Conduct of Business Rules and get it approved from the Commission.

16. Power to Amend

The Commission may at any time, vary, alter, modify or amend any provision of these Regulations.

17. Power to Remove Difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

18. Power to Relax

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected by grant of relaxation, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

19. Power to Issue Practice Directions

If any difficulty arises in giving effect to these Regulations, the Commission may on its own motion or on an application filed by any affected party, issue such directions as may be considered necessary in furtherance of the objective and purpose of these Regulations.

20. Repeal and Savings

Save as otherwise provided in these regulations, the Punjab State Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2020

shall stand repealed from the date of commencement of these Regulations. Notwithstanding such repeal, anything done or purported to have been done under the repealed regulations shall be deemed to have been done or purported to have been done under the relevant provisions of these regulations to the extent that same were not inconsistent with the Act.

Chandigarh
The 2nd December, 2025

Sd/-
SECRETARY
Punjab State Electricity Regulatory Commission

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