

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

**Present : Adv. A.J Wilson, Member  
Shri B Pradeep, Member**

**OP No 09/2025**

In the matter of : Petition seeking directions upon KSEBL(SLDC) to grant No-Objection Certificate /standing clearance to the petitioner for open access/ utilizing the intra-state system of Distribution Licensee to import/ draw inter-state renewable energy while availing the Temporary General Network Access(T-GNA) with the Inter-State Transmission System (ISTS).

Petitioner : M/s Carborundum Universal Limited.

Respondent : 1. Kerala State Electricity Board Ltd (KSEB Ltd)  
2. M/s Grian Energy Private Limited

Petitioner represented by : Adv.Biju Mattam, Counsel for the petitioner  
Shri K.R Radhakrishnan, General Manager  
Shri Satheesh Kumar K.P, Asst: General Manager

KSEB Ltd represented by : Adv.Ajit Joy, Counsel for the respondent  
Sri. Shine Raj, Asst: Executive Engineer  
Smt Asha A.V, Asst: Engineer  
Shri Anoop Mathew, KSEB WA(CITU)

Date of hearing : 20.03.2025, 02:30 PM

Venue : Court Hall of the Commission

**Order dated 13.05.2025**

1. M/s Carborundum Universal Limited (herein referred as CUL or Petitioner) on 08.01.2025 has filed a petition before the Commission with the following prayers:

*“(a) issue appropriate directions to the Respondent / KSEBL (SLDC) to issue requisite Standing Clearance/NOC to the Petitioner in terms of Regulation 28.5 of GNA Regulations, through appropriate method, as this Hon'ble Commission may deem fit so as to enable the Petitioner to pursue the T-GNA application with NOAR under GNA Regulations; and  
(b) Pass any other or further order(s) as this Hon'ble Commission deems fit and proper, in the circumstances of the present case.”*

2. The Summary of the petition is given below;

- (1) The petitioner is a part of Murugappa group, is engaged in the business of manufacturing and marketing of range of abrasive products, electro minerals, refractory products, industrial ceramics, non-woven products and power tools.

The petitioner is having a contract demand of 19750 kVA at 66 kV and 7500 kVA at 110kV with the distribution Licensee KSEBL and draws power at 66/110kV from the licensee.

- (2) The 'electro mineral's' division of the petitioner which is located in Kochí, Kerala, has committed to source and consume 30-50% of its total power requirement from renewable energy (RE) sources.

- (3) The respondent No.2, M/s Grian Energy Private Limited is a generating company ("hereinafter referred as GENCO") within the meaning of Section 2(28) of the Electricity Act, 2003, owns, operates, and maintains the Captive Generating Plant of capacity of 121.2 MWp which is equivalent to 100 MW of AC Capacity, located at Jaimalsar, Bikaner (Rajasthan).

The petitioner and generator entered into Power Purchase Agreement (PPA) on 16.09.2024 for the procurement of 10MW Solar power under captive mode for the period of 25 years.

- (4) The petitioner submitted that, they have to submit the application before National Open Access Registry ("hereinafter referred as NOAR") for grant of Connectivity and Temporary General Network Access ("hereinafter referred as T-GNA(RE)") with the Inter-State Transmission System (hereinafter referred as ISTS) under Regulation 28 of CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("hereinafter referred as GNA Regulations"), for the conveyance of the power till the drawl point in Kerala.

In order to obtain T-GNA(RE) for bilateral transaction and to implement the arrangement of transmission of 'inter-state RE power', Regulation 28.5(a) (vi) of GNA Regulations mandatorily requires to submit the 'standing clearance/NOC issued by SLDC (KSEBL)', (under whose jurisdiction the point of drawal is located, since the buyer is an intra-State entity) for allowing intra-state open access, along with application to be submitted to NOAR.

- (5) In compliance of the GNA Regulations, the petitioner vide letter dated 16.10.2024 approached SLDC seeking its NOC/ standing clearance in respect of the intra-state open access for drawing inter-state RE (solar) power from ISTS connected project of the respondent generator for

applying for the T-GNA (RE). However, SLDC vide letter dated 01.11.2024 denied grant of NoC.

- (6) Subsequently on 16.11.2024, the petitioner submitted a representation before the Co-ordination Committee constituted by KSEBL for inter-alia facilitating timely grant of intra-state open access, seeking appropriate directions/recommendations to be issued to SLDC for resolving the issue of grant of open access so that the Petitioner would be able to draw inter-state RE power. However, no response has been received by the petitioner till date.
- (7) Petitioner submitted that KSEB Ltd ought not to deny NOC/Clearance to the Petitioner on the ground of absence of Regulations/ procedure for Deviation Settlement Mechanism (DSM) when there already exists Detailed Open Access Procedure and various orders passed by the Commission from time to time, thereby outlining the procedures applicable on the entities seeking intra-state open access for scheduling, accounting, metering and settlement of deviations etc.

Further, the bilateral transaction proposed to be undertaken by the petitioner with GENCO should not be discriminated when the collective transactions are being issued required NOC as admitted by SLDC vide letter dated 01.11.2024. In view of the above, the respondent SLDC/KSEBL must issue requisite clearance for intra-state open access to the petitioner.

- (8) Therefore being aggrieved by the refusal of SLDC to issue standing clearance to the petitioner for undertaking bilateral transaction despite such clearance/ NOC being issued for collective transactions (i.e., on power exchanges), despite having 'detailed open access procedure in existence within the State to address the modalities of scheduling, accounting and deviations etc, the petitioner is constrained to approach the Commission seeking appropriate directions to the respondent SLDC/KSEBL to issue requisite clearance for intra-state open access so that the petitioner by utilising the TGNARE would able to draw inter-state RE power to carry out its manufacturing activities.
- (9) In support of the claim, the petitioner has produced the following Orders issued by the Commission.
  - (i) KSERC Order dated 28.08.2021 in petition OP No. 28/2021 in the matter of 'removal of difficulties due to licensee taking the underutilised energy scheduled by embedded open access consumers through day ahead Inter-State Short Term Open Access (Collective Transactions).
  - (ii) KSERC Order dated 22.08.2023 in petition OP No. 40/2023 in the matter of 'formulation of appropriate Deviation Settlement Mechanism' to handle the deviation during scheduling of surplus

quantum of power generated from the Cogeneration Power Plant of the petitioner to third parties by way of Open Access.

- (iii) The petitioner also quoted the judgments of the Hon'ble APTEL in Appeal No. 92 of 2021 dated 12.08.2021, in Appeal No. 158 of 2009 dated 15.03.2011, in Appeal No. 276 of 2015 & batch dated 12.02.2024.

- (10) Denial of standing clearances to the petitioner is in violation of Regulation 31 of GNA Regulations. As per Regulation 31.2, in case the SLDC refuses to issue standing clearances for intra-state open access as required under Regulation 28.5(a)(vi), such refusal shall be communicated to the applicant through NOAR within the period of seven (7) working days from the date of receipt of such request seeking standing clearance. The relevant Regulation is extracted below.

*“31. Standing Clearance for grant of T-GNA.*

*31.1. The application for Standing Clearance from SLDC, for grant of T-GNA, shall be made online for a specified quantum and specified period.*

*31.2. Where the existence of necessary infrastructure and availability of surplus transmission capacity in the intra-State transmission network have been established, the concerned SLDC shall issue Standing Clearance within three (3) working day of receipt of such application:*

*Provided that when application for Standing Clearance has been made for the first time by an entity, the concerned SLDC shall issue Standing Clearance to the Applicant, within seven (7) working days of receipt of the application.*

*31.3. In case the concerned SLDC refuses to issue Standing Clearance on the grounds of non-existence of necessary infrastructure or unavailability of surplus transmission capacity in intra-State transmission network, such refusal shall be communicated to the Applicant through NOAR within the period of three (3) working days or seven (7) working days, as the case may be, from the date of receipt of the application along with reasons for such refusal:*

*Provided that where the concerned SLDC has not communicated approval or refusal of application for Standing Clearance within the period of three working days or seven working days, as the case may be, the Standing Clearance shall be deemed to have been granted at the end of the next day after expiry of such period of three working days or seven working days, as the case may be, for a period for which such Standing Clearance was applied for or a period of 7 days, whichever is lower...*

In the present case, the petitioner submitted the application on 16.10.2024 for intra-state open access for carrying out bilateral transactions under T-GNA (RE). However, SLDC of KSEBL has communicate the refusal only on 01.11.2024.

The petitioner further submitted that, KSEBL SLDC has implemented mechanism to handle the deviation pending notifications of the DSM Regulations/ procedure for scheduling/ accounting. Similar mechanism should be implemented in the present case so that the petitioner will be able to have intra-State open access for carrying out inter State bilateral transactions while availing T-GNA under RE Regulations.

### **Hearing on the petition**

3. The Commission admitted the petition as OP No. 09/2025, and the hearing on the petition was conducted on 20.03.2025. Adv. Shri. Biju Mattam, presented the matter on behalf of the petitioner. Adv. Shri. Ajit Joy presented on behalf of the respondent KSEBL. Summary of the deliberations during the hearing is given below.

- (1) The petitioner submitted the following during the hearing;
- (i) As per the Section 39 and Section 42 of the Electricity Act, 2003, KSEBL as the STU and distribution licensee, and the SLDC of KSEBL has to ensure non-discriminatory open access in the State. The denial of the open access is not supported by the provisions of the EA-2003 and Regulations notified by the Commission.
  - (ii) SLDC has been allowing open access to the petitioner and other HT&EHT consumers for the collective transactions through exchanges. Hence, there is no rational for the argument of the petitioner that, in the absence of the Regulations on Deviations Settlement, SLDC cannot issue NOC/ standing clearances as per the Regulation 28(5) of the GNA Regulations.
  - (iii) The denial of NOC/ standing clearances are resulting in significant financial loss to the petitioner. The petitioner had already entered into power purchase agreement (PPA) with the second respondent M/s Grian Energy Private Limited.
  - (iv) The argument of the petitioner that, proper application with requisite fee was not remitted is not correct. The petitioner vide the letter dated 16<sup>th</sup> October 2024 has submitted the application to the SLDC with all necessary details, including the details of the injection, drawal details, the quantum of power to be availed through open access etc. However, SLDC has not pointed out any defects in the application filed by the petitioner and also the fees to be remitted along with the application for standing clearances as per the GNA Regulations notified by CERC.
  - (v) Though the petitioner has taken up the issue of denial of open access with the Co-ordination forum constituted under Regulation 54 of the KSERC (Connectivity & Open Access) Regulations, 2013, so far no response is received from the forum.

- (vi) KSEBL and SLDC is violating the provisions of the EA-2003 and Rules and Regulations notified by Government of India, CERC and KSERC regarding the grant of open access and related matters.
- (2) The first respondent KSEBL during the hearing submitted the following;
- (i) The petitioner did not submit a formal application along with the requisite fee for getting standing clearances.
  - (ii) SLDC did not have automated infrastructure for real time accounting for bilateral transactions. However, with the commissioning of SAMAST project, KSEBL could able to resolve the issues.
  - (iii) NRLDC has issued standing clearance to the generator M/s Grian Energy Private Ltd under IPP category. However, in the application before the KSEBL SLDC, the petitioner has claimed the plant as a CPP of the petitioner. There is doubt regarding the captive status of the project.
  - (iv) The petitioner may be directed to submit a complete application for getting standing clearances for submitting application before National Open Access Registry (NOAR) for getting connectivity and T-GNARE.
- (3) M/s Grian Energy Private Limited, second respondent, submitted that, they are fully supporting the request of the petitioner. They further clarified that, the plant comes under group captive category.
- The generator has signed PPA with the petitioner in September 2024. The delay in granting standing clearances is affecting both the petitioner as well as the second respondent.
- (4) The Commission has clarified during the hearing that,
- (i) The rights of the consumers to avail open access cannot be denied for administrative reasons.
  - (ii) In various orders, the Commission has clarified that, SLDC can grant open access and, also account and settle the open access transactions as per the provisions in the KSERC (Connectivity and Open Access) Regulations, 2013.
  - (iii) SLDC as a statutory body functioning as per the EA-2003 can point out defects, if any, in the applications filed by the customers for availing open access. If the formal application format is not available, SLDC can collect the details in the format desired by the load despatch center.

The Commission has allowed one week time to the respondent KSEBL to submit the written comments with copy to the petitioner. Thereafter, another one week time to the petitioner to submit additional comments, if any.

4. KSEBL vide the letter dated 01.04.2025 has submitted its remarks on the subject petition filed by M/s Carbourandum Universal Limited. Its summary is given below.

(1) Maintainability of the petition.

- Since the petitioner has failed to follow the prescribed procedure for seeking standing clearances/ NOC, the present petition filed by M/s Carborundum universal Limited is not maintainable.
- The petitioner has not submitted the formal application for getting standing clearances. The letter of enquiry does not fulfil the statutory requirements as per the prevailing Regulations.

(2) Need for Intra State Deviation Settlement Mechanism (DSM).

- Scheduling of transactions and settlement of deviations from the schedule is an inevitable process in the Open Access procedure as far as the injecting and drawee entity is concerned. Without a commercial deviation settlement mechanism, the deviations from the schedule could not be minimised amicably and this in turn will be detrimental to the state as well as national grid.
- Only after the implementation of a proper Deviation Settlement Mechanism (DSM) in Kerala State for the settlement of deviations from the schedule, and the automation of the complete open access process as per the provisions of the intrastate DSM Regulations, SLDC Kerala will be empowered to issue NOC for T-GNARE.
- Intra-state third-party – long term sale is being considered for the first time in Kerala. **The absence of a proper DSM mechanism poses significant risks to grid stability and efficient operations.** Without a clear framework for managing deviations, the system becomes vulnerable to unscheduled power flows, jeopardizing the reliability of the grid.

(3) Limitations of the KSERC (Connectivity and Intra-State Open Access) Regulations, 2013 for collecting DSM charges.

- KSEBL submitted that, the prevailing Regulations do not explicitly specify provisions regarding under-injection/drawl by captive generators. The treatment and compensation mechanisms for under-injections/drawl remain unclear in the order dated 10.03.2025. It may be noted that, in the case of under drawl, results excess power in the grid and consequently, KSEBL has to surrender existing contract and or pay DSM charges. Also, in the case of over drawl KSEBL has to arrange alternate power for meeting our normal consumers. In all cases the financial impact to KSEBL is large and such impact cannot

be compensated with the present DSM mechanism suggested by the Commission in its order dated 11.03.2025.

- M/s. CUMI is an embedded open access consumer and availing power from various sources. Instead of availing power supply from KSEBL, M/s CUMI has installed 1.8 MW Solar Power Plant at their Kalamassery industrial premises. In addition to the above two sources, M/s CUMI has been availing short term open Access. Now they have requested for intra state open access for long term power purchase with RE source. Thus, the petitioner is availing number of sources for meeting their demand.
- The purchase /sale through RTM and scheduling of interstate RE power with revisions (constitute infirm nature of power) and the high RE solar penetration in the State were not envisaged while formulating the KSERC Open Access Regulation 2013 and the detailed procedure for open access approved by the Commission during the year 2015. Hence a frequency based commercial deviation settlement Mechanism suitable for the present conditions for the State may kindly be notified by this Hon'ble Commission.
- As directed by the Commission vide the Order dated 23.03.2023 in petition OP No. 70/2022 in the matter of 'Notifying Intra State Deviation Settlement Mechanism Regulations', the detailed report including suggestions was submitted before the Commission on 24.07.2023 and additional submission on 07.09.2023.

KSEBL further submitted that, SLDC has assured its full commitment to providing all necessary support to the Commission in framing the Intra-State DSM Mechanism. Additionally, SLDC has expressed its readiness to attend the meetings to be convened by the Hon'ble Commission in this regard and to actively participate in the discussions. SLDC remains available for any further requirements or clarifications as needed by the Commission.

- If more consumers import power to the state through CPP mode under TGN<sub>ARE</sub>, the transmission charges waived off to these consumers will be levied from the state entities with firm GNA/TGNA. This in turn will overburden the licensee and will result in the overall power purchase cost of the licensee. The tariff rate will increase, and this will critically affect the ordinary consumers of the licensee who don't have open access power or solar captive generation.
- UI Regulations specified by KSERC in the Open Access Regulations, 2013 was repealed by CERC very long back and DSM Regulations were introduced in 2014. Subsequently, the DSM Regulations were amended six times and new DSM Regulations 2024 is in force.
- Considering all these aspects, a proper mechanism to address all these issues has to be notified in the State.



(4) Applicant plant cannot be considered as Captive Power Plant.

- M/s Grian Energy Private Limited is a generating company own, operates and maintains the Captive Generating Plant of capacity of 121.MWp which is equivalent to 100MW of Alternate Current (AC) Capacity, located at Jaimalsar, Bikaner (Rajasthan). The petitioner have executed a Power Purchase Agreement with M/s Grain Energy Private Limited for procurement of Renewable Energy (RE)/ solar power of 10MW under captive mode for the term of 25 years on 16.09.2024.
- NRLDC has issued standing clearances as IPP and not as CPP.
- It is not clear from the details submitted whether the plant is a CPP and hence all the charges such transmission /wheeling charges, Losses, Cross subsidy surcharge etc. are applicable for them.

(5) Lack of scheduling software and appropriate regulatory frame work

KSEBL submitted that, there is no scheduling software currently available at SLDC Kerala for the scheduling of bilateral transactions in the State. Hence, SLDC may be granted additional time for the completion of the SAMAST project to issue NOC for bilateral transactions, which is expected to be completed by the end of September 2025.

By considering all, KSEBL requested that, petitioner's demand for availing power from 10 MW Captive Solar plant may be considered only after implementing the Intra State Deviation Settlement Mechanism regulation in the State, after levying the charges specified in the Regulation 28 of KSERC Renewable Energy and Net Metering Regulation 2020 and its amendment. If the Commission allows the petition with the provisions of existing DSM mechanism specified in the open access regulation 2013, it is requested to consider this plant as IPP plant and the plant shall be brought in to intra state DSM regulation, which Commission is going to introduce in future.

5. The petitioner vide the letter dated 4<sup>th</sup> April 2025 has submitted the remarks on the reply filed by KSEBL on 01.04.2025, and its summary is given below.

- (1) KSEBL has failed to bring on record the violation of any legal provision by the Petitioner while exercising its right of seeking open access under Section 42 read with Section 39(2)(d) of Electricity Act, 2003 read with GNA Regulations. Similarly, no legal basis / ground has been adduced by KSEBL in its reply for its refusal to grant NOC/ Standing Clearance to the Petitioner for availing inter- state open access or T-GNARE.
- (i) The petitioner vide application/ letter dated 16.10.2024 furnished all requisite information such as quantum of contracted power of 10MW;

period for grant of short-term open access; injection and drawl points, name of sub-stations; voltage levels etc. However, KSEBL rejected the application on account of lack of DSM and automated open access system.

- (ii) Petitioner's absolute entitlement for non-discriminatory Open Access is unequivocally recognized by the Electricity Act, 2003 under Section 39(2)(d), 42 read with Regulations 28 and 30 of CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulation 2022 and Regulation 11 of KSERC (Connectivity and Intrastate Open Access) regulation, 2013. This aspect was affirmed by various judgments of the Hon'ble APTEL.
- (iii) KSEBL vide the letter dated 01.04.2025 admitted that, accounting of deviations are carried out with the help of 'excel and other techniques' in the case of collective transactions. But the present matter is (i) bilateral transaction, (ii) having fixed term of 25 years and (iii) for specific contracted energy.

Bilateral transactions are more less complicated than the collective transaction; Thus, the denial of NOC for the bilateral transaction on the pretext of lack of automated accounting system in place, is not justifiable at all.

The application for grant of NOC for TGNARE has been submitted on 16.10.2024 and despite lapse of more than 5 months, the respondent/ KSEBL could not equip itself to perform the accounting of deviations etc., which is totally unjustifiable.

- (iv) KSEBL failed to communicate the refusal to grant NOC to National Open Access Registry (NOAR) in terms of Regulation 29.7 of GNA Regulations.
- (v) The petitioner further submitted that, requirement of any specific format for making request for grant of standing clearance for filing the TGN(RE) Open Access application is not traceable to any of the provisions of law including the Electricity Act, 2003, Supply Code or the relevant CERC/KSERC Regulations.
- (vi) KSEBL has nowhere in its letter dated 01.11.2024 indicated the procedural requirements/ deficiencies found in the application (dated 16.10.2024) made by the Petitioner. Instead, KSEBL has denied the NOC citing the procedural lacuna/ deficiencies in the form of a lack of Deviation Settlement Mechanism (DSM) Regulations and absence of automated open access procedure.
- (vii) The counsel of the KSEBL during the hearing submitted that, in the various joint meetings dated 14.10.2024, 16.10.2024, and 25.10.2024 SLDC has conveyed the deficiencies in the application for NOC filed by

the petitioner, However, KSEBL failed to bring the records of the purported meetings.

- (viii) The coordination committee constituted by KSEBL for the facilitation of the open access failed to provide any response to the representation of the petitioner dated 16.11.2024.
- (ix) The allegation of the KSEBL that, the petitioner deliberately concealed the fact of PPA executed with the respondent No.2. This is not correct. The petitioner in the application dated has intimated that they had entered into agreement with M/s Grian Energy Private Limited for procurement of RE power under captive mode.
- (x) Petitioner has approached the Commission after being aggrieved by the discriminatory refusal by KSEBL in granting NOC to the bilateral inter-state transaction to be undertaken by the Petitioner. In view of this, KSEBL's allegation of abuse of process of law by the Petitioner is completely arbitrary and baseless.
- (xi) An attempt has been made by KSEBL under paragraph 20 of its reply to disguise/ cover up its failure to grant non-discriminatory open access to the Petitioner under Section 42 read with Section 39(2) (d) of Electricity Act, by alleging that this Hon'ble Commission, inter-alia, failed to formulate appropriate DSM Regulations even after notification of DSM Regulations and GNA Regulations by the Central Electricity Regulatory Commission.

The quantity of varied transactions requiring scheduling, metering and accounting for importing/ exporting power on power exchange, is higher than the bilateral transaction wherein the contracted capacity and modalities of power procurement are clearly defined by the parties under PPA. The methodologies adopted for accounting and billing of the collective transactions can be adopted for monitoring bilateral transactions also,

- (xii) The petitioner further submitted that, the status of the power plant of the respondent No.2 as CGP or IPP has no bearing at all on the requirement of grant of NOC/ standing clearances for inter-state open access for availing T-GNA<sub>RE</sub> under RE Regulations. It is not relevant for the purpose of adjudication of the present dispute.
- (xiii) In terms of Section 42 read with Section 39(2)(d) of Electricity Act, the petitioner being a consumer has right to seek open access for using the transmission lines or distribution system of the State Licensee in order to import power from the sources other than the said Licensee.

It is the mandatory duty of the State Distribution/ Transmission Licensee (KSEBL herein) to provide NOC for non-discriminatory open access to the petitioner who proposed to undertake bilateral inter-state transaction by availing T-GNA<sub>RE</sub>.

Hence, the petitioner requested to issue appropriate directions to KSEBL for expeditious issuance of Standing Clearance/ NOC to the Petitioner in terms of Regulation 28 of GNA Regulations, for open access/utilizing the intra-state system of Distribution Licensee in order to import/draw inter-state renewable energy from the Respondent No. 2 located in Rajasthan, by availing the T-GNA(RE).

### **Analysis and Decisions of the Commission**

6. The Commission having examined the petition filed by M/s Carborundum Universal Limited, objections and comments of KSEBL, the provisions of the Electricity Act, 2003, KSERC (Connectivity and Intra-State Open Access) Regulations, 2013, other Rules and Regulations in force, decide on the matter as follows;
7. The petitioner M/s Carborundum Universal Limited is an EHT consumer of KSEBL, having two separate electricity connections, one at 66kV with a contract demand of 19.75MVA and second one at 110kV with a contract demand of 7.5MVA.

Since the year 2015, the petitioner has also been drawing power from power exchanges by availing short term access as and when the market rates are advantageous to them, as an embedded open access consumer, as per the provisions of the Electricity Act, 2003 and KSERC (Connectivity and Open Access) Regulations, 2013. The consumer is also maintaining the entire contract demand with KSEBL so that, they are permitted to avail grid power as and when required within the contract demand with the licensee.

SLDC of KERALA, which is owned by KSEBL, has been granting 'standing clearance/ No objection certificate' to the petitioner and other similar embedded open access consumers for availing open access through power exchanges (collective transactions) as per the provisions of the KSERC (Connectivity and Open Access) Regulations, 2013 and the 'Detailed Procedures for grant of Open Access in intra-State Transmission system', approved by the Commission vide its approval dated 07.05.2015.

Presently, there is no dispute between the petitioner/ other embedded open access consumers and KSEBL regarding grant of open access for availing power through exchanges.

8. The petitioner reported that, they had entered into 'Power Purchase Agreement (PPA) with the generator M/s Grian Energy Private Ltd for 10MW Solar power under captive mode for 25 years. The generator is located at Jaimalsar, Bikaner in Rajasthan State.

The petitioner submitted that, they have to submit the application before National Open Access Registry ("hereinafter referred as NOAR") for grant of Connectivity and Temporary General Network Access ("hereinafter referred as T-GNA<sub>RE</sub> ") with the Inter-State Transmission System (hereinafter referred as

ISTS) under Regulation 28 of CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("hereinafter referred as GNA Regulations"), for the conveyance of the power till the drawl point in Kerala.

As per the Regulation 28.5 (a) (vi) of the GNA Regulations, standing clearances/ NOC from the SLDC under whose jurisdiction the point of drawl is located has to be submitted along with the application for T-GNARE before the NOAR.

9. Accordingly, the petitioner vide the letter dated 16.10.2024 has submitted an application before the SLDC for the consent for further application to CTUIL to avail T-GNARE for granting 'standing clearance/ NoC for applying for NOAR.

The true copy of the application submitted by the petitioner to SLDC, Kerala is extracted below.

“

Ref No. CUMI-ISTS/001/2024-25

16th October 2024

To,

The Chief Engineer, Transmission & System Operations

State Load Dispatch Centre,

Kerala State Electricity Board Limited, HMT Colony Post, Kalamassery,

Kerala-683 503.

Dear Sir,

Subject: Seeking consent for T-GNARE

We, Carborundum Universal Limited, having consumer ID LCN 8/1234 connected at 66 KV voltage level with a contract demand of 19750 KVA, would like to inform you that we have entered into an agreement with Grian Energy Private Limited for the procurement of RE power under captive mode (As per Electricity Act 2003 read with Electricity Rule 2005 and its amendments).

In view of the same, we hereby submitting our request for grant of consent for procurement of RE power from ISTS connected solar project under captive mode as per the details below: -

Particulars	Injecting Entity	Drawee Entity
Name of Entity	Grian Energy Private Limited	Carborundum Universal Limited
Voltage Level	220KV	66KV
S/S Name	Bikaner-II, PGCIL Substation	220 kV Substation, Kalamassery
State	Rajasthan	Kerala
Region	Northern Region	Southern Region
PPA Capacity (MW)		10

Details of Open Access Sought under T-GNARE:				
Date		Hours		Capacity
From	To	From	To	MW
01.11.2024	30.11.2024	08:00	16:00	10

*According to the GNA Regulation 2022 and its procedure, consumers can avail TGNA<sub>RE</sub> for procurement of power from interstate sources. Therefore, we hereby willing to avail TGNA<sub>RE</sub> from CTUIL for procurement of RE Power from Interstate source and seeking your consent for the same.*

*In addition, it is to highlight that as per the Electricity Act 2003 read with Electricity Rule 2005 and its amendments; to maintain the captive status we shall be Investing 26% equity in the injecting entity ie. Grian Energy Private Limited to become a captive consumer of the SPV.*

*In the view of the above, request you to provide us the consent for further application to CTUIL to avail TGNA<sub>RE</sub>*

*Looking forward to your cooperation & kind support*

*Yours faithfully  
For CARBORUNDUM UNIVERSAL LIMITED*

*S/d-  
SIVAKUMARAN MV  
Executive Vice President & Business Head  
Electro Minerals Division*

*As above, the petitioner has submitted the injection details, drawal details, name of the generator, PPA capacity etc along with the application.*

10. However, SLDC vide the letter dated 01.11.2024 has informed the petitioner as follows.

*"It may be noted that, at present SLDC is issuing NOC for Interstate Short Term Open Access for power purchase through collective transactions in power exchanges only and the scheduling, energy accounting and deviation computations are done mostly in a manual manner with the help of some excel formulae and techniques. The SAMAST (Scheduling, Accounting, Metering and Settlement of Transactions) project is under implementation stage and only after the completion of the project, the full procedure for open access will be automated.*

*The 15 minutes time block wise energy accounting and the under-drawal from the schedule of the Interstate power purchase through collective transactions shall be settled as per the directions issued by the Hon'ble KSERC vide Order dated 28. 08. 2021 in OP No. 28/ 2021 in the matter of Petition under Section 67 of the Kerala State Electricity Regulatory Commission (Connectivity and Intra-State Open Access) Regulations, 2013 for Removal of difficulties due to Licensee taking the underutilized Energy Scheduled by Embedded Open Access Consumers through Day Ahead Inter State Short Term Open Access (Collective transaction).*

*Only after the implementation of a proper Deviation Settlement Mechanism in the state for the settlement of deviations from the schedule and the automation of the complete open access process as per the provisions of the Intrastate DSM Regulations to be notified by the Hon'ble State Commission and after obtaining concurrence from the licensee/KSEBL, SLDC Kerala will be empowered to issue NOC for T-GNA<sub>RE</sub> considering the flexibility of grid operations and the stability and integrity of the Kerala as well as national grid. This is for favour of your kind information."*

As above, SLDC has rejected the application citing the following reasons;

- (1) Presently, SLDC has been issuing NOC for inter State Short Term Open Access for purchase through collective transactions in power exchanges only.
- (2) Scheduling, energy accounting and deviation computations of open access transactions are done manually with the help of some excel formulae and techniques.
- (3) Scheduling, Accounting, Metering and Settlement of Transactions (SAMAST) project is under implementation stage and only after the completion of the project, the full procedure for open access will be automated.
- (4) Energy accounting and underdrawal of power through collective transactions are settled as per the Order of the Commission dated 28.08.2021 in petition OP No. 28/2021.
- (5) Only after implementation of the Regulation on the intra-State DSM Regulations and after obtaining concurrence from the licensee/KSEBL, SLDC can issue NOC for T-GNARE.

As above, SLDC pointed out delays of KSEB Ltd/SLDC in implementing tools for automation of open access transactions and lack of a 'proper' Deviation Settlement Mechanism in the State for the denial of NOC. However, it is a settled position that, through various Orders issued by the Commission, notifying the intra-state Deviation settlement mechanism is not required for implementing open access in the State.

At the same time, SLDC /KSEBL has not pointed out defects, if any, on the application submitted by the petitioner, including the non remittance of the fees to be remitted along with the application for grant of 'standing clearance/ NOC' for availing open access.

11. The Commission has also examined the provisions in the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 and its first amendments in the Year 2023 (herein after referred to as GNA Regulations, 2022). The relevant provision in the Regulations is discussed in the following paragraphs.

- (1) The Regulation 28(5) of the GNA Regulations, 2022 specifies the details to be submitted to the National Open Access Registry (NOAR) for grant of T-GNA, and the same is extracted below;

*"28.5. Application for grant of T-GNA for a bilateral transaction shall contain the following:*

*(a) Advance application category:*

*(i) Quantum of T-GNA in MW;*

*(ii) Start time of T-GNA in terms of time-block and date;*

(iii) End time of T-GNA in terms of time-block and date;

(iv) Point of injection, if available, or in the absence of the point of injection, the target injection region;

*Provided that in case of injection into the Indian grid in the course of cross border trade of electricity in terms of the Cross Border Regulations, point of injection shall be furnished along with the application.*

**(v) Point of drawal:**

**(vi) Standing Clearance of SLDC under whose jurisdiction the point of drawal is located, in case the buyer is an intra-State entity and;**

*(vii) In case the seller is an intra-State entity and the point of injection is available, Standing Clearance of SLDC under whose jurisdiction the point of injection is located:*

*Provided that in case the point of injection and corresponding Standing Clearance of SLDC under whose jurisdiction the point of injection is located is not available at the time of making the application, the same shall be submitted along with the scheduling request in terms of Regulation 33 of these regulations;*

*(viii) In case the seller is a regional entity and the point of injection is not available at the time of making the application, the point of injection shall be submitted along with the scheduling request in terms of Regulation 33 of these regulations.”*

It is noted that, the petitioner has applied for obtaining ‘standing clearance /NOC of SLDC for availing T-GNARE to satisfy the condition under the Regulation 28.5(a) (vi) of the GNA Regulations notified by the CERC.

- (2) The Regulation 31 of the GNA Regulations notified by CERC dealt with ‘Standing Clearance for grant of T-GNA. The relevant Regulation is extracted below.

“31. Standing Clearance for grant of T-GNA

31.1. The application for Standing Clearance from SLDC, for grant of T-GNA, shall be **made online for a specified quantum and specified period.**

31.2. Where the existence of necessary infrastructure and availability of surplus transmission capacity in the intra-State transmission network have been established, the concerned SLDC shall issue Standing Clearance **within three (3) working day** of receipt of such application:

*Provided that when application for Standing Clearance has been made for the first time by an entity, the concerned SLDC shall issue Standing Clearance to the Applicant, **within seven (7) working days** of receipt of the application.*

31.3. In case the concerned **SLDC refuses to issue Standing Clearance on the grounds of non-existence of necessary infrastructure or unavailability of surplus transmission capacity in intra-State**



**transmission network**, such refusal shall be communicated to the Applicant through NOAR within the period of three (3) working days or seven (7) working days, as the case may be, from the date of receipt of the application along with reasons for such refusal:

*Provided that where the concerned SLDC has not communicated approval or refusal of application for Standing Clearance within the period of three working days or seven working days, as the case may be, the Standing Clearance shall be deemed to have been granted at the end of the next day after expiry of such period of three working days or seven working days, as the case may be, for a period for which such Standing Clearance was applied for or a period of 7 days, whichever is lower.*

*31.4. The T-GNA Grantee to whom the Standing Clearance has been issued in terms of Regulation 31.2 or deemed to have been issued in terms of Regulation 31.3, shall bid in the power exchange(s) in such a manner that the aggregate quantum in each time block for all the bid(s) under bilateral transactions and collective transactions shall not exceed the quantum of Standing Clearance:*

*Provided that if the aggregate quantum of bid(s) in the power exchange(s) under bilateral transactions and collective transactions by a T-GNA grantee exceeds the quantum of the Standing Clearance in any time block, NLDC shall debar such T-GNA grantee from participating in bilateral and collective transactions for a period of seven (7) days under intimation to the concerned SLDC;*

*Provided further that the list of such T-GNA grantees debarred in terms of the above proviso shall be displayed on NOAR.*

*31.5. The concerned SLDC may revise the quantum or period of the Standing Clearance issued in respect of any T-GNA grantee only in case of constraints in transmission system or in the interest of secure grid operation.”*

12. As extracted above, as per the Regulation 31 of the GNA Regulations, 2022 notified by CERC, SLDCs can refuse the standing clearances for availing T-GNA only on the following two grounds.

- (i) Non-existence of necessary infrastructure, Or
- (ii) Unavailability of surplus transmission capacity in intra-State transmission network.

KSEBL is bound to provide electricity to the consumer as per the EHT supply agreement for the entire contract demand of 19.75MVA as and when demanded by the consumer. SLDC has also permitted the petitioner to purchase power through exchanges by availing short-term open access. Also, any delay in implementing SAMAST does not fall under any of the above grounds.

Considering these reasons, SLDC could not deny grant of ‘standing clearance/ NOC for availing T-GNA as per provisions of the GNA Regulations.

13. The Commission has also noted the communication of the SLDC dated 01.11.2024, wherein the SLDC informed the petitioner that, only after implementation of the DSM Regulations in the State, SLDC is empowered issue NOC for T-GNARE.

The Commission has already appraised these issues in detail, in various orders issued in the past. In a recent Order dated 11.03.2025 in petition OP No. 01/2025 'in the matter of implementation of proper Deviation Settlement Mechanism in Kerala State' filed by M/s LULU International Shopping Malls Pvt Ltd also, the Commission has clarified on this issue as follows;

*"13. As discussed in paragraphs 11 and 12 above, the existing Open Access Regulations, 2013 and also the Detailed Procedure to Open Access Regulations, 2013 approved by the Commission provides the procedure for scheduling, energy accounting and billing of intra-state open access transactions in the State. The prevailing Regulations also address the deviations, if any, by the embedded open access consumers in the State. Hence, there is no rational, or legal basis for the SLDC, through the Chief Engineer(Transmission-System Operation), denying open access to the petitioner for transmitting and wheeling electricity from the 1 MWp Solar plant to its premises".*

**The Commission hereby clarify that, SLDC, SBU-T and SBU-D cannot deny open access to the consumers of the State for want of implementation of intra-State DSM in the State. If KSEBL and SLDC continue to deny open access on this ground, the Commission may be constrained to take appropriate action against KSEBL and SLDC as per Section 142 of the EA-2003 for non-compliance of the Orders and Directions of the Commission, and also for non-compliance of the provisions of the EA-2003.**

14. The Commission also noted the argument of the SLDC that, at present the scheduling, energy accounting and deviation computations of the collective transactions are done on manual basis. The full procedure of the open access transactions will be automated only after the implementation of the *Scheduling, Accounting, Metering and Settlement of Transactions (SAMAST) project*.

Commission noted that there is no merit in the argument of the KSEBL. Open access is the right of the consumers as per provisions of the EA-2003, and SLDC / KSEBL cannot deny the same due to the reason that the scheduling, energy accounting etc of the open access transactions are carried out manually.

Though SLDC is under the administrative control of the KSEBL, SLDC is a statutory body under Section 32 of the EA-2003 and has to carryout its statutory functions truly as per the EA-2003 and the Regulations notified by the CERC and SERC.

15. The Commission further noted that, SLDC during the deliberations of the petition OP No. 29/2020 clarified that, they are capable of accounting the 15 minute time blockwise energy transactions of all open access consumers as per Open Access Regulations, 2013 in the State.

SLDC of KSEBL during the hearing of the petition OP No. 28/2021 had submitted that, it had commenced implementing the system of '15 minutes time block wise accounting of energy' for all embedded OA consumers in the State from May 2021 onwards.

The Commission vide the Order dated 28.08.2021 in Petition OP No. 28/2021 had ordered to implement 15 minute time block wise energy accounting of all the open access consumers in the State w.e.f 28.08.2021.

Since the SLDC has been implementing the 15 minute time block wise energy accounting of all embedded open access consumers in the State since 28.08.2021, there is no rationale to deny open access to the petitioner citing the reason of non- implementation of software system for scheduling, energy accounting and deviation settlements.

16. The Commission has also noted the argument of the KSEBL during the hearing that, the prevailing Regulations and Order dated 11.03.2025 in petition OP No. 01 /2025 could not address the situation of underdrawal by the petitioner from the schedule given for open access by the petitioner.

The Commission hereby clarify that, till the Commission notify the Regulations on 'Intra-State DSM and related matters' in the State of Kerala, KSEBL is not liable to pay compensation for the under drawal from the Schedule for open access. The Commission also clarified that, since the present transactions is an inter-state transactions, no facility of banking including time block wise banking shall be available to the petitioner.

However, once the Commission notify the Regulations on 'Intra-state Deviation Settlement Mechanism' in the State, the under-drawal from the grid shall be governed by the provisions of the said Regulations.

17. The Commission has also noted the argument of the KSEBL and SLDC during the deliberations of the subject petition that, proper application with requisite fee are not submitted by the petitioner to the SLDC for grant of 'standing clearance/ NOC, for applying for T-GNARE as per the provisions of the GNA Regulations, 2022.

However, the petitioner M/s Carborundum Universal Limited during the deliberations of the subject matter informed that, there is no standard format in the Open Access Regulations, 2013 and Detailed procedure for availing open access, for applying for standing clearance/ NOC.

The Commission has examined the arguments of both the parties. As already stated by the Commission, SLDC is a statutory body as per the EA-2003, and has to function as per the Section 32 of the Electricity Act, 2003. Hence, even if there is any defect in the application submitted by the petitioner, SLDC has to inform the defects and has to direct the petitioner to resubmit the application in the desired format of the SLDC with the requisite fee as per the Regulations notified by CERC / SERC.

However, SLDC vide its letter dated 01.11.2024 has not pointed out any defects on the application submitted by the petitioner for grant of 'standing clearance/ NOC' from SLDC for applying for T-GNA, including the notified fee if any.

18. Considering the above, the Commission hereby direct the petitioner M/s Carborundum Universal Limited and the respondents SLDC and KSEBL to comply the following for grant of 'standing clearance/ NOC' for applying for TGNARE before National Open Access Registry (NOAR) as follows;
- (1) Within three days from the date of this Order, SLDC of KSEBL shall intimate the defects, if any, on the format of application dated 16.10.2024 for grant of standing clearance/NOC for applying for T-GNARE before NOAR, including the amount of fees, if any, to be remitted along with the application.
  - (2) Within two days from the date of receipt of the communication from SLDC of KSEBL, the petitioner shall submit the fresh application along with the requisite fee, if any, to the SLDC for the grant of 'standing clearance/ NOC for applying for T-GNARE for the required period, before National Open Access Registry (NOAR).
  - (3) Within the time limit specified by CERC in the Regulations, 31 of the GNA Regulations, 2022, SLDC of KSEBL shall grant 'standing clearance/ NOC for applying for T-GNARE.
  - (4) If SLDC of KSEBL fails to communicate the defects, if any, within the time line mentioned in sub para (1) above, on the format of application dated 16<sup>th</sup> October-2024, the petitioner is permitted to submit the fresh application for applying for T-GNARE for the subsequent months as required by the petitioner, and SLDC shall process the application and grant standing clearance/ NOC for applying for T-GNARE. as per Regulation 31 of the GNA Regulations, 2022 and it's amendments.
  - (5) If SLDC of KSEBL has not communicated the approval / refusal with specific reasons, within the time limit specified under Regulation 31 of the GNA Regulations, 2022 and its amendments, the 'standing clearnce/ NOC' is deemed to be granted by the SLDC of KSEBL for the period for the standing clearance requested for.
19. The Commission has also noted with concern, the failure from the part of the 'Co-ordination committee' constituted under Regulations 54 of the Open Access Regulations, 2013 for adjudicating the dispute between the petitioner and SLDC of KSEBL.

As per the Regulation 54 of the Open Access Regulations, 2013, the STU of KSEBL has constituted 'Co-ordination committee', under the Chairmanship of Director (Transmission and System Operation) of KSEBL. As per the Regulation 62 of the Open Access Regulations, 2013, adjudicating the disputes between customers and licensees including STU and SLDC is one of the

functions of the 'Co-ordination forum'. All such disputes has to be decided by the 'Co-ordination Committee' within 30 days from the date of receipt of the application.

The petitioner has submitted the compliant against the SLDC on 16.11.2024. The petitioner complained that, the Co-ordination committee has not taken any action till date on the complaint/ dispute filed against SLDC.

The Commission views this as a very serious lapse from the part of the STU, i.e., SBU-T of KSEBL. The Commission hereby direct that, henceforth, Director (Transmission & System Operation) shall ensure that, once a compliant is received on any aspect relating to the implementation of the Open Access Regulations, 2013, the Co-ordination committee shall take appropriate decision on the matter within the time limit specified there in.

20. KSEBL during the deliberations of the subject matter argued that, it is not clear from the details submitted by the petitioner that, the plant owned by the generator M/s Grian Energy Private Limited is a CPP of the petitioner. NRLDC also issued standing clearances for applying for T-GNARE considering the plant as an IPP. Hence, KSEBL submitted that, all the charges including cross subsidy surcharge is applicable for the open access transaction of the petitioner. However, the petitioner submitted that it had entered into PPA with the generator on 16.09.2024 for 25 years under CPP mode.

Since the present issue is for grant of 'standing clearance / NOC' for applying for T-GNARE before NOAR, this Commission has not gone into details of the plant, whether it is CPP of the petitioner or IPP. KSEBL as the STU, SLDC and distribution licensee has the authority to verify the records as per Section-9 of the EA-2003 and as per Rule-3 of the Electricity Rules 2005 and its amendments in 2023, to verify whether the transaction is qualified under CPP mode or IPP category, subject to annual verification by CEA. The only difference between the two mode is that, under IPP category, the petitioner has to pay cross subsidy surcharge in addition to the transmission charges, wheeling charges, applicable transmission & distribution losses etc payable by captive power plants.

**It is clarified that, SLDC of KSEBL shall not delay the grant of standing clearances for applying for T-GNARE for want of clarity on whether the transaction is IPP/CPP. However, for getting exemption for the payment of cross subsidy surcharge, the petitioner has to submit all necessary details to support the claim of power purchase under CPP category.**

21. The Commission further clarify that, even if, it is established that the proposed transaction of the petitioner from the generator M/s Grian Energy Private Limited is under CPP mode, the petitioner is not eligible to claim any type of banking available to captive RE power plants in the State as per the provisions of the KSERC (Renewable Energy and Net Metering) Regulations, 2020 and its amendments, since the present transaction is an 'inter-state open access transaction'.

22. We have also noted the claim of KSEB Ltd/SLDC that it had submitted the requisite detailed report and all details as per the direction of the Commission in its Order dated 23.03.2023 on the matter of framing DSM Regulations. However, the Commission noted that KSEB Ltd/ SLDC has pointed out implementation of SAMAST as a pre requisite for proper implementation of DSM Regulations. As per the present submissions also the SAMAST is not yet ready. Apart from that the Commission is constrained to record its observation that the report is bereft of substantive analysis of all required data and recommendations befitting the truly independent and professional characteristics of SLDC as envisaged under the Act. The SLDC may submit a proper report with all relevant data and analysis along with proposals for a proper DSM, in the interest of grid discipline, stability and security, applicable to all intra-state grid users including generating stations of KSEB Ltd. The Commission shall publish the same for stakeholder consultation as a prelude to framing the DSM regulation and the regulation for forecasting scheduling etc. However, as already made clear in this Order, KSEB Ltd/SLDC shall not deny open access to any applicant on the said premise.

#### **Orders of the Commission**

23. The Commission after examining the petition filed by M/s Carborundum Universal Limited, objections and comments of KSEBL, the provisions of the Electricity Act, 2003, KSERC (Connectivity and Intra-State Open Access) Regulations, 2013, other Rules and Regulations in force, Orders as follows.
- (1) Kerala SLDC shall grant 'standing clearance/ NOC' to the petitioner for applying for T-GNARE before the National Open Access Registry (NOAR), following the procedures as given in paragraph-18 above.
  - (2) The petitioner is not eligible to claim any type of banking available to captive RE power plants within the State as per the provisions of the KSERC (Renewable Energy and Net Metering) Regulations, 2020 and its amendments, as discussed under paragraph 21 above.
  - (3) Henceforth, SLDC and other functional units of KSEBL shall not deny the grant of open access to the customers of the State seeking the same as per the provisions of the KSERC (Connectivity and Open Access) Regulations, 2013, for want of implementation of 'intra-state DSM Regulations' in the State, and such denial shall be punishable as per the provisions of the EA-2003.

Petition disposed of. Orders Accordingly.

**Sd/-**  
**Adv. A J Wilson**  
**Member**

**Sd/-**  
**B Pradeep**  
**Member**  
Approved for issue

**Sd/-**  
**C R Satheeshchandran**  
**Secretary**