

**Jharkhand State Electricity Regulatory Commission,
Ranchi**

**Draft Jharkhand State Electricity Regulatory Commission (Intra-
State Deviation Settlement Mechanism and Related Matters)
Regulations, 2026
The 24th July, 2026**

Notification

No. JSERC/_____ -- In exercise of the powers conferred by Section 181 read with Sections 32, 33, 42, 66 and 86 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, the Jharkhand State Electricity Regulatory Commission hereby makes the following regulations.

1. Short title, commencement and extent

- (1) These Regulations shall be called the Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026.
- (2) These Regulations shall come into force from the date of publication in the Official Gazette or such other date as the Commission may notify.
- (3) These Regulations shall extend to the whole State of Jharkhand and shall apply to all transactions scheduled through the State Load Despatch Centre or otherwise forming part of the intra-state schedule and settlement framework.

2. Definitions and Interpretations

In interpretation of these regulations, unless the context otherwise requires-

- a. **'Act'** means the Electricity Act, 2003 (36 of 2003);
- b. **'Actual drawal'** in a time-block means electricity drawn by a buyer, measured by the interface meters;
- c. **'Actual injection'** in a time-block means electricity injected by the seller, measured by the Interface meters;

- d. **‘Area Clearing Price’** or ‘ACP’ means the price of electricity contract for a time block transacted on a Power Exchange after considering all valid buy and sale bids in a particular area(s) after market-splitting;
- e. **‘Buyer’** means a person, including distribution licensee or open access consumer, purchasing electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long-term open access;
- f. **‘Commission’** means the Jharkhand State Electricity Regulatory Commission referred to in sub-section (1) of section 82 of the Act;
- g. **‘Contract rate’** means
 - i. in respect of such 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 such 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 general seller 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; or
 - 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.
- h. **‘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 10 of these regulations;

- i. **‘General seller’** means a seller in case of a generating station based on resources other than wind or solar.
- j. **‘Grid Code’** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act.
- k. **‘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;
- l. **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);
- m. **‘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 and any re-enactment thereof;
- n. **‘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/IEGC as the case may be;
- o. **‘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;
- p. **‘MoD Guidelines’** means the Guidelines for operation of Merit Order Despatch and amendments thereof, as approved by the Commission from time to time;
- q. **‘Normal Rate of Charges for Deviation’** means the charges for deviation (in paise/kWh) as referred to in Regulation 11 of these regulations;
- r. **‘Open Access Regulations’** means the Jharkhand State Electricity Regulatory Commission Terms and Conditions for Intra-State Open Access) Regulations, 2016 as amended from time to time and any re-enactment thereof;

- s. 'Partial Open Access Consumer'** shall mean Open Access Consumer connected to transmission system or distribution system and having part of his contract demand with the distribution licensee within the state;
- t. '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.
- u. 'Run-of-River Generating Station' or 'RoR generating station'** means a hydro generating station which does not have upstream pondage;
- v. 'Scheduled Generation'** or scheduled injection for a time block or any period means schedule of generation or injection in MW or MWh ex-bus given by the State Load Despatch Centre;
- w. 'Scheduled Drawal'** for a time block or any period means schedule of drawal in MW or MWh ex-bus given by the State Load Despatch Centre;
- x. 'Seller'** means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the regulations applicable for short-term open access, medium-term open access and long- term open access;

- y. **‘State Deviation Pool Account’** means the State Account for receipts and payments on account of deviations by Buyers and Sellers;
- z. **‘State Entity’** means such person (beneficiary) who is in the SLDC control area and whose metering and energy accounting is done at the state level.
- aa. **‘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 special energy meter, with first time block starting at 00.00 hours.

Provided that the Commission may revise the duration of time block from the date to be notified by it from time to time;

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.

3. Objective

The objective of these Regulations is to provide a transparent, non-discriminatory and commercially enforceable mechanism for treatment and settlement of deviations from scheduled drawal or injection of electricity in the interest of grid security, reliability, discipline, renewable integration and efficient power system operation within State of Jharkhand.

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 10 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 Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, and its further amendments thereof.

Provided also that, forecasting, scheduling and deviation settlement related matters regarding wind and solar generation shall be governed as per the provisions of Jharkhand State Electricity Regulatory Commission (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2016 and its further amendments thereof.

Provided also that the Solar and Wind generators with installed capacity below the threshold capacity, as specified by the Commission in Jharkhand State Electricity Regulatory Commission (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2016 and its further amendments thereof 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 Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, and its further amendments thereof.

Provided also that, in case of a Captive Power Plant (CPP) connected to the intra-State transmission system or the distribution system, wheeling power under the applicable Open Access Regulations and availing standby power/standby support under the Jharkhand State Electricity Regulatory

Commission (Utilization of Surplus Capacity of Captive Power Plants based on Conventional Fuel) Regulations, 2023, as amended from time to time, the overdrawal during the period of standby power/standby support shall be dealt with in accordance with the said Regulations, 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 Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016 and its amendment thereof.

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 Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016 and its amendment thereof.

5. Duties of State Load Despatch Centre and State entities

These Regulations aim to govern the functioning of the 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 power system is maintained.

In order to meet these objectives, necessary preconditions and covenants for participation by State Entities shall be as under:

- (1) The State Entities shall inform the SLDC of all contracts they have entered into for exchange of energy.
- (2) State Entities shall operate their generating plants and loads in a manner that is consistent with the provisions of the Indian Electricity Grid Code, 2023 and the Jharkhand State Electricity Grid Code.

- (3) The State entities shall enter into Connection Agreement/Open Access Agreement with the concerned transmission licensee, which shall specify physical and operational requirements for reliable operation and gain physical access and connection to the intra-State transmission system (InSTS) or enter into Connection Agreement/Open Access Agreement with concerned Distribution Licensee for use of distribution system, as the case may be in accordance with Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016 and its amendment thereof.

The State Transmission Utility (STU) shall make necessary arrangements for putting up 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. The time synchronization of 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 prudently with regard to the despatching of stations after evaluating all possible network parameters, constraints, congestions in the transmission network and in the eventuality of any such network aberration, the instructions by the SLDC with regard to despatch and drawal shall be binding on all State Entities.

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 State pool as well as exigency conditions, if any with regard to despatch of power.

6. Principles for operationalising Deviation Settlement Mechanism

The framework for Deviation Settlement Mechanism shall cover the following key design parameters.

- (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 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 stipulate.

(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 Jharkhand 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 including Additional Deviation Charges, if any, for the state at the state periphery for the respective time block.

- (c) **Deviation** - For the purposes of Deviation settlement amongst State Entities, the SLDC shall work out the Deviation for 'State Deviation Pool Account' comprising over-drawal/under-drawal and over-injection and under-injection for each State Entity corresponding to each Scheduling period. Charges for deviation shall be in accordance to regulation 9 of these regulations.
- (d) **Settlement Period** - Preparation and settlement of 'State Deviation Pool Account' shall be undertaken on weekly basis coinciding with mechanism followed for regional energy accounts.
- (e) **Measurement Unit for State Deviation Pool Account** - The measurement unit for State Deviation Pool Account Volume preparation shall be kilowatt hours (kWh). Measurement unit for State Deviation Pool Account Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of the amount (INR) shall be rounded off to nearest integer value.
- (f) **Sign Change Requirement:-** In the event of sustained deviation from schedule in one direction (positive or negative) by any State Entity, such entity shall change the sign of its deviation from schedule at least once after

every 6th time blocks. Failure to comply shall attract additional charges @ 20% of the deviation charges applicable on the daily charges for deviation payable or receivable, as the case may be, for each such violation during a day.

(g) **Deviation Volume Limit** - To ensure grid discipline, grid security and reliability of the State grid, Buyers and Sellers shall comply with the Deviation Volume Limits specified under these Regulations. Any deviation beyond the specified volume limits shall attract additional deviation charges as may be specified by the Commission.

(h) **Premise for 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. Scheduling

- (1) The provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time, the Jharkhand State Electricity Grid Code, the applicable scheduling and despatch procedure issued by the State Load Despatch Centre, and the relevant Regulations of the Commission shall apply for scheduling of all Sellers and Buyers covered under these Regulations. Provided that scheduling of Open Access Consumers, including partial Open Access Consumers, shall be governed by the Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, as amended from time to time, to the extent applicable.
- (2) Every State Entity shall adhere to its schedule of injection or drawal, as the case may be, in accordance with the Jharkhand State Grid Code, these Regulations and the directions issued by the State Load Despatch Centre. Revision of generation schedule, drawal schedule or injection schedule during the day of operation shall

be permitted only in accordance with the Indian Electricity Grid Code, the Jharkhand State Electricity Grid Code, the applicable Open Access Regulations and the scheduling and despatch procedure issued by the State Load Despatch Centre.

- (3) The State Load Despatch Centre shall be responsible for preparation, revision and maintenance of schedules for State Entities and may issue necessary directions for revision, curtailment or regulation of schedules in the interest of grid security, system reliability, congestion management, compliance with Regional Load Despatch Centre instructions and maintaining load-generation balance in the State control area. Wheeling transactions of captive users and open access consumers shall be scheduled as contracted, subject to transmission constraints, system security conditions and directions of the State Load Despatch Centre.

8. Treatment for Gaming

- (1) The Commission may, either suo motu or on a petition made by the State Load Despatch Centre, State Entity, distribution licensee, transmission, generating company, open access consumer or any other affected party, initiate proceedings against any Seller or Buyer on charges of gaming under these Regulations.
- (2) Where the Commission considers it necessary, it may order an enquiry to be conducted by an officer of the Commission or by such other person, agency or authority as the Commission may deem fit. The enquiry officer or authority so appointed shall submit its findings within such time as may be specified by the Commission and may exercise such powers as are available under section 128 of the Act., including powers relating to investigation and calling for information.
- (3) If, upon such proceeding or enquiry, it is established that any Seller or Buyer has indulged in gaming, the Commission may, without prejudice to any other action disallow deviation charges receivable by such Seller or Buyer during the period of gaming and may also direct payment of additional charges, refund of undue gains, adjustment in the State Deviation Pool Account, or such other remedial measures as may be considered appropriate.
- (4) Nothing contained in this Regulation shall affect the power of the Commission to initiate proceedings for non-compliance, levy penalty, issue directions, or take any

other action under the Act, the Grid Code, these Regulations or any other applicable regulations.

9. Charges for deviations for Sellers and Buyers

The charges for deviation for each time block shall be payable or receivable, as the case may be, by the concerned Buyer or Seller being a State Entity, and shall be computed in accordance with the applicable provisions of these Regulations.

10. Computation of Deviation

The computation of deviation for Buyers and Sellers under these Regulations shall be carried out in accordance with the principles and methodology specified in the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, as amended from time to time, with such State-specific modifications as may be approved by the Commission.

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

Deviation-general seller (DGS) (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)].

Deviation-general seller (DGS) (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 (DBUY) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)].

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

11. Normal rate of charges for deviation

The Normal Rate of Charges for Deviation for each time block shall be computed in accordance with the principles and methodology specified in the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, as amended from time to time, with such State-specific modifications as may be approved by the Commission.

(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) 1/3 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];
 - (b) 1/3 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and
 - (c) 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 places.

12. Charges for deviation

The Charges for Deviation payable or receivable by Buyers and Sellers for each time block shall be determined in accordance with the principles and methodology specified in the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, as amended from time to time, with such State-specific modifications as may be approved by the Commission.

- (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 up to [10% DGS or 100 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 $[49.97 \text{ Hz} \leq f \leq 50.03 \text{ Hz}]$
(v) When $[50.03 \text{ Hz} < f \leq 50.05 \text{ Hz}]$, for every increase in f by 0.01 Hz, 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 0.01 Hz, charges for deviation for such seller shall be reduced by 7.5% of RR so that charges for deviation become 85% of RR when $f = 50.05 \text{ Hz}$
(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 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% DGS or 100 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 $[f > 50.05 \text{ Hz}]$
(iv) @ 115 % of RR when $[f < 49.90 \text{ Hz}]$	(iv) @ 150 % of RR when $[f < 49.90 \text{ Hz}]$
(III) For Deviation beyond [10% DGS or 100 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= $[49.90 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$

DGS means Deviation-general seller (in %);

Note: The settlement rate is for accounting of violation and shall not be construed as permission to over-inject where prohibited by Regulation 12(6)

- (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)
(i) @ RR for deviation up to [15% DGS or 150 MW, whichever is less];	(iii) @ RR for deviation up to [15% DGS or 150 MW, whichever is less];
(ii) @ Zero for deviation beyond [15% DGS or 150 MW, whichever is less]	(iv) @ 105% of RR for deviation beyond [15% DGS or 150 MW, whichever is less] and up to [20% DGS or 200 MW, whichever is less];
	(v) @ 110% of RR for deviation beyond [20% DGS or 200 MW, whichever is less].

- (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 up to [20% DGS];	(iii) @ contract rate for deviation up to [20% DGS];
(ii) @ Zero for deviation beyond [20% DGS];	(iv) @ 110% of contract rate for deviation beyond [20% DGS].

- (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 VLB (1) and f within f band	
(i) @ 90% of NR When $f = 50.00$ Hz;	(iv) @ NR when $f = 50.00$ 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 0.01 Hz , 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 0.01 Hz , 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 VLB (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 VLB (2) and f within and outside f band	
(i) @ 80% of NR when $f \leq 50.00 \text{ Hz}$;	(iv) @ 150% of NR when $f < 50.00 \text{ Hz}$;
(ii) @ 50% NR when $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$;	(v) @ NR when $[50.00 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$;
(iii) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$: Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10 \text{ Hz}]$;	(vi) @ 75% NR when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$; (vii) @ zero when $[f \geq 50.10 \text{ Hz}]$.
(IV) For VLB (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 $[f \geq 50.10 \text{ Hz}]$.

(6) Volume Limits for Deviation**(1) Volume Limits for Generating Stations (Sellers):**

Seller	Volume Limit
The deviation by a generating station (seller) shall not exceed the following volume limits when grid frequency is within the f band.	VLS(1): Deviation up to [10% of DGS or 100 MW, whichever is less] - this is the permitted volume limit within which the graduated frequency-linked charges of Regulation 12(a), I apply. Deviations of a seller beyond VLS(1) shall attract the charges specified in Regulation 12(a), II of these Regulations. Provided that no under-injection by a seller shall be permissible when grid frequency is below 49.90 Hz, and no over-injection by a seller shall be permissible when grid frequency is 50.05 Hz and above. prohibition is in addition to generating station obligations under State Grid Code

(2) Volume Limits for ROR Generating Stations (Sellers):

Seller	Volume Limit
The deviation by a ROR generating station (seller) shall not exceed the following volume limits irrespective of grid frequency.	VLS(1): Deviation up to [15% of DGS or 150 MW, whichever is less] - this is the permitted volume limit within which the graduated frequency-linked charges of Regulation 12(b), i apply.

Seller	Volume Limit
	VLS(2): Deviation beyond VLS(1) and up to [20% of DGS or 200 MW, whichever is less] - this is the permitted volume limit within which the graduated frequency-linked charges of Regulation 12(b), iv apply. Deviations of a seller beyond VLS(2) shall attract the charges specified in Regulation 12(b), v of these Regulations. Provided that no under-injection by a seller shall be permissible when grid frequency is below 49.90 Hz, and no over-injection by a seller shall be permissible when grid frequency is 50.05 Hz and above.

(3) Volume Limits for Buyer

Buyer	Volume Limit
Buyer other than (the buyer with a schedule less than 400 MW)	VLB (1) = Deviation up to [10% DBUY or 100 MW, whichever is less] VLB (2) = Deviation [beyond 10% DBUY or 100 MW, whichever is less] and up to [15% DBUY or 200 MW, whichever is less] VLB (3) = Deviation beyond [15% DBUY or 200 MW, whichever is less]
Buyer (with a schedule up to 400 MW)	VLB (1) = Deviation [20% DBUY or 40 MW, whichever is less] VLB (2) = Deviation beyond [20% DBUY or 40 MW, whichever is less]

(7) Charges for Injection of Infirm Power - Charges for deviation by way of injection of infirm power prior to the Commercial Operation Date (COD) of a

generating unit shall be zero except in cases specified under clauses (i) and (ii).:

- (i) 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 Rs 2.86/kWh.
 - (ii) 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, as the case may be.
 - (iii) Notwithstanding the provisions of clauses (i) and (ii) 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, as the case may be, shall be zero.”
- (8) 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.
- (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;
- (10) During the period of occurrence of Grid Disturbance / Force Majeure as defined in the JSERC Grid Code Regulations, the deviation charges for the affected time blocks shall be zero. For such affected time blocks, the scheduled generation of all generating stations and the scheduled drawal of all entities shall be considered as equal to the actual generation and actual drawal, respectively, for the purpose of deviation accounting.

13. State Energy Account

- (1) The State Load Despatch Centre shall prepare the statement of State Energy Account for each time-block for the Sellers and Buyers, including State Entities, on monthly basis.
- (2) Data required for billing of open access consumers, including partial open access consumers, shall be provided by the State Load Despatch Centre to the billing centre of the concerned distribution licensee. The billing centre of the distribution licensee shall be responsible for energy accounting, raising and settlement of bills with such open access consumers in accordance with the applicable regulations and orders of the Commission.
- (3) Payment of capacity charges and energy charges by the Buyers to the Sellers shall be governed by the provisions of the respective Power Purchase Agreements, bilateral agreements, transactions through Power Exchange, Short-Term Open Access arrangements or any other applicable commercial arrangement, as the case may be.
- (4) Energy Account Statement for deviation settlement of open access consumers, including partial open access consumers connected to the intra-State transmission system or distribution system, shall be prepared in accordance with the applicable Jharkhand State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016, governing connectivity and open access for intra-State transmission and distribution systems, as amended from time to time.
- (5) The State Load Despatch Centre shall be responsible for preparation of weekly Deviation Charges Statement for all State Entities and for billing, collection and disbursement of Deviation Charges in accordance with these Regulations.
- (6) The provisional State Energy Account and Deviation Charges Statement shall be made available to the concerned State Entities for scrutiny and verification within the timelines specified in the detailed procedure. The State Load Despatch Centre shall finalise the same after addressing comments or discrepancies, if any, in a time-bound manner.
- (7) The State Energy Account and Deviation Charges Statements shall be subject to third-party verification and audit on periodic basis, which shall be carried out at least once in a financial year.

- (8) The State Load Despatch Centre shall prepare and submit to the Commission, within three months from the date of notification of these Regulations, a detailed Energy Accounting Procedure.

Provided that the State Load Despatch Centre shall undertake stakeholder consultation by uploading the draft procedure on its website before submission of the procedure to the Commission for approval.

Provided further that the Energy Accounting Procedure shall cover data collection, meter data validation, treatment of missing or erroneous meter data, preparation of monthly State Energy Account, preparation of weekly Deviation Charges Statement, discrepancy resolution mechanism, billing and settlement process, digital record keeping, audit trail and such other matters as may be considered necessary by the Commission.

14. Accounting of Charges for Deviation

- (1) 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 ERLDC/ SLDC websites and received from Power Exchanges through E-Mail.
- (iii) **Reference Charge Rate/Normal Rate** of charges for deviations.
- (iv) **Frequency:** For preparation of weekly DSM account statement, SLDC shall consider frequency as considered by ERPC in the DSM statement issued to the State, as available on ERPC website or as declared by ERLDC 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.

- (2) 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 State Load Despatch Centre in accordance with provisions of these regulations.

Provided that the Commission may by order direct any other entity to operate and maintain the Deviation Pool Account.

- (3) The State Deviation Pool Account shall receive credit for:

Payments on account of charges for deviation referred to in Regulation 10 of these regulations and the late payment surcharge as referred to in clause (a) of Regulation 15 of these regulation;

Any other charges as may be notified by the Commission.

- (4) The State Deviation Pool Account shall be charged for:

(a) payment to seller for over injection as referred to in clause (1) of Regulation 12 of these regulations;

(b) payment to buyer for under drawl as referred to in clause (5) of Regulation 12 of these regulations;

(c) Such other charges as notified by the commission;

- (5) Separate books of accounts shall be maintained for the principal component and interest component of charges for deviation by the SLDC.

- (6) The State Entities shall comply with statutory requirements of payment of applicable statutory levies, including but not limited to Goods and Service Tax (GST), Tax deduction at source (TDS).

- (7) The State Entities shall facilitate SLDC in meeting with reporting requirements of Statutory Authorities, as necessary.

- (8) All payments received in the “State Deviation Pool Account” shall be appropriated in the following sequence:

(a) First towards any cost or expense or other charges incurred on recovery of Charges for deviation.

- (b) Next towards over dues or penal interest, if applicable.
- (c) Next towards normal interest.
- (d) Next dues towards Regional Deviation Pool Account
- (e) Lastly, towards charges for deviation.

Provided that

Any amount of 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 short fall in funds in the State Deviation Pool Account; if any, at the end of the weekly settlement period shall be recovered by levy of additional charge from the State Entities in proportion to Net Deviation Charges Payable by concerned State Entity for the applicable weekly settlement period through supplementary bills. Provided further that SLDC shall prepare scheme(s) and shall submit annual plan for utilisation of surplus funds and implement the scheme(s) only upon approval of the Commission.”

15. Schedule of Payment of charges for deviation

- (a) The payment of charges for deviation shall have a high priority and the concerned entity shall pay the due amounts within 10 (seven) days of the issue of statement of charges for deviation by the SLDC, failing which late payment surcharge @ 0.04% shall be payable for each day of delay.
- (b) Any entity which at any time during the previous financial year fails 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 their average payable weekly liability for deviations in the previous financial year in favour of

the State Load Despatch Centre within a fortnight from the start of the current financial year.

Provided that –

- (v) 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 be required to open a Letter of Credit equal to 110% of weekly outstanding liability in favour of State Load Despatch Centre within a fortnight from the due date of payment.
- (vi) 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%.
- (c) In case of failure to pay into the Deviation Pool Account within 7 (seven) days from the date of issue of statement of charges for deviation, the State Load Despatch Centre shall be entitled to encash the LC of the concerned entity to the extent of the default and the concerned entity shall recoup the LC amount within 3 days.

16. Governance Structure and constitution of State Power Committee

- (a) Within three months from date of notification of these Regulations, the State Load Despatch Centre shall formulate Operating Procedures and Business Rules for constitution of State Power Committee, which shall be approved by the State Commission.
- (b) The State Power Committee shall:
 - (i) Co-ordinate and facilitate the intra-state energy exchange for ensuring optimal utilisation of resources.
 - (ii) Monitor compliance of these Regulations by State Entities.
 - (iii) Guide the SLDC for modification of Procedure(s) in order to address the implementation difficulties, if any.
 - (iv) Provide necessary support and advice to the Commission for suitable modifications/issuance of Operating Procedures, Practice Directions,

and amendment to provisions of this regulations, as may be necessary upon due regulatory process.

17. Power to amend

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

18. 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.

19. 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.

20. Power to issue 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.

ANNEXURES

Illustrations for Implementation of the Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026

Purpose and use of these Annexures

These illustrations are intended to explain how the provisions of the Draft JSERC DSM Regulations, 2026 will be implemented in practice. They cover the calculation of deviation, determination of Normal Rate (NR) and Reference Charge Rate (RR), application of deviation volume limits, treatment of sellers, buyers, RoR stations, MSW stations and ESS, sign-change requirement, energy accounting, payment timelines and operation of the State Deviation Pool Account. The numerical values are illustrative only and shall not override the provisions of the Regulations.

ANNEXURE - I: Implementation Workflow

This illustration explains the operational sequence for implementation of the JSERC DSM framework. It should be read with the provisions relating to duties of SLDC and State entities, scheduling, computation of deviation, State Energy Account, weekly Deviation Charges Statement and State Deviation Pool Account.

Step	Responsibility	Action	Output / Regulatory outcome
1	State Entity	Submits contracts/schedules and updates revisions as per Grid Code and SLDC procedure.	Approved schedule for each 15-minute time block.

Step	Responsibility	Action	Output / Regulatory outcome
2	SLDC	Finalises and maintains schedules for sellers and buyers; issues directions when needed for grid security.	Time-block-wise scheduled generation/injection and scheduled drawal.
3	Metering system / SLDC	Collects interface meter data for actual injection and actual drawal.	Validated time-block-wise actual energy data.
4	SLDC	Computes deviation for each State Entity for every time block.	DGS for sellers and DBUY for buyers.
5	SLDC	Identifies applicable category: general seller, RoR, MSW, ESS or buyer; checks frequency and volume limit.	Applicable deviation rate and payable/receivable status.
6	SLDC	Prepares weekly Deviation Charges Statement for seven-day settlement period.	Amount payable/receivable by each State Entity.
7	State Entity	Makes payment within the prescribed timeline into State Deviation Pool Account.	Timely settlement; late payment surcharge if delayed.
8	SLDC / Pool operator	Credits and debits State Deviation Pool Account and disburses receivables.	Transparent DSM settlement and pool reconciliation.

ANNEXURE - II: Computation of Deviation

The Regulations define deviation separately for sellers and buyers. A positive seller deviation represents over-injection and a negative seller deviation represents under-injection. A positive buyer deviation represents over-drawal and a negative buyer deviation represents under-drawal.

Entity	Formula	Meaning of result
Seller	$\text{DGS (MWh)} = \text{Actual injection} - \text{Scheduled generation}$	Positive = over-injection; Negative = under-injection.
Seller	$\text{DGS (\%)} = 100 \times (\text{Actual injection} - \text{Scheduled generation}) / \text{Scheduled generation}$	Used for checking deviation volume limit.
Buyer	$\text{DBUY (MWh)} = \text{Actual drawal} - \text{Scheduled drawal}$	Positive = over-drawal; Negative = under-drawal.
Buyer	$\text{DBUY (\%)} = 100 \times (\text{Actual drawal} - \text{Scheduled drawal}) / \text{Scheduled drawal}$	Used for checking buyer volume limit.

Illustration 1 - Seller deviation

Scheduled generation = 200 MW for a 15-minute block, i.e., 50 MWh. Actual injection = 208 MW for the same time block, i.e., 52 MWh. $\text{DGS} = 52 - 50 = +2 \text{ MWh}$. $\text{DGS (\%)} = 100 \times 2 / 50 = 4\%$. The seller has over-injected by 2 MWh and the deviation is within a 10% volume limit if the applicable limit is 10% of schedule.

Illustration 2 - Buyer deviation

Scheduled drawal = 300 MW for a 15-minute block, i.e., 75 MWh. Actual drawal = 315 MW, i.e., 78.75 MWh. $\text{DBUY} = 78.75 - 75 = +3.75 \text{ MWh}$. $\text{DBUY (\%)} = 100 \times 3.75 / 75 = 5\%$. The buyer has over-drawn by 3.75 MWh.

ANNEXURE - III: Normal Rate (NR) and Reference Charge Rate (RR)

The Normal Rate of Charges for Deviation (NR) for a time block is the highest of: weighted average ACP of I-DAM, weighted average ACP of RTM, and the composite rate consisting of one-third I-DAM ACP, one-third RTM ACP and one-third Ancillary Service Charge. The Reference Charge Rate (RR) for sellers is determined based on approved energy charge, power exchange price, weighted average ACP or weighted average reference rates, as applicable.

Component	Illustrative value (paise/kWh)	Treatment
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A: Weighted average ACP of I-DAM	460.00	Candidate value for NR.
B: Weighted average ACP of RTM	520.00	Candidate value for NR.
C: Composite rate	$(460 + 520 + 600) / 3 = 526.67$	Candidate value for NR.
Normal Rate (NR)	Highest of A, B and C = 526.67 paise/kWh	NR = Rs. 5.2667/kWh, rounded as per Regulations.

Situation	RR determination - illustration
Seller with tariff determined/adopted/approved	RR = approved energy charge. Example: approved energy charge = Rs. 4.00/kWh, therefore RR = Rs. 4.00/kWh.
Seller selling through power exchange	RR = power exchange price discovered for the respective transaction/time block.
Captive/open access sale based on non-renewable resources	RR = weighted average ACP of Integrated Day Ahead Market segments for the time block.
Multiple contracts/transactions	RR = weighted average of the applicable reference rates for all such contracts/transactions.

ANNEXURE - IV: Charges for Deviation - General Seller

This illustration explains the application of RR-based charges for a general seller other than RoR and MSW generating stations. The applicable charge depends on direction of deviation, frequency condition and whether deviation is within or beyond VLS(1).

Frequency condition	Over-injection within VLS(1)	Under-injection within VLS(1)
$49.97 \text{ Hz} \leq f \leq 50.03 \text{ Hz}$	100% of RR	100% of RR
$50.03 \text{ Hz} < f \leq 50.05 \text{ Hz}$	Reduces by 25% of RR for each 0.01 Hz increase; reaches 50% at 50.05 Hz.	Reduces by 7.5% of RR for each 0.01 Hz increase; reaches 85% at 50.05 Hz.
$49.90 \text{ Hz} \leq f < 49.97 \text{ Hz}$	Increases by 2.15% of RR for each 0.01 Hz decrease; reaches 115% at 49.90 Hz.	Increases by 7.15% of RR for each 0.01 Hz decrease; reaches 150% at 49.90 Hz.

50.05 Hz < f < 50.10 Hz	Zero receivable	85% of RR
f >= 50.10 Hz	Seller pays 10% of RR	85% of RR
f < 49.90 Hz	115% of RR	150% of RR

Illustration 3 - General seller over-injection within VLS(1)

Assume scheduled generation = 50 MWh, actual injection = 52 MWh, deviation = +2 MWh and RR = Rs. 4.00/kWh. Frequency = 49.94 Hz. The applicable over-injection rate from the frequency-linked vector is 108.60% of RR. Rate = 1.086 x 4.00 = Rs. 4.344/kWh. Amount receivable = 2,000 kWh x Rs. 4.344/kWh = Rs. 8,688.

Illustration 4 - General seller under-injection beyond VLS(1)

Assume scheduled generation = 50 MWh, actual injection = 42.5 MWh, deviation = -7.5 MWh. Average deviation = 30 MW in a 15-minute block, which exceeds a 10% volume limit for a 200 MW schedule. Frequency = 49.88 Hz. For under-injection beyond VLS(1) when f < 49.90 Hz, charge = 200% of RR. If RR = Rs. 4.00/kWh, payable amount = 7,500 kWh x Rs. 8.00/kWh = Rs. 60,000.

ANNEXURE - V: RoR Hydro and MSW Seller Illustrations

The Regulations provide separate treatment for RoR hydro stations and MSW sellers without linkage to grid frequency. The illustrations below show how volume limits are applied to such categories.

Category	Over-injection treatment	Under-injection treatment
RoR generating station	RR up to [15% of DGS or 150 MW, whichever is less]; zero beyond that limit.	RR up to [15% of DGS or 150 MW, whichever is less]; 105% of RR beyond 15% up to 20%; 110% of RR beyond 20%.
MSW seller	Contract rate up to 20% DGS; zero beyond 20% DGS.	Contract rate up to 20% DGS; 110% of contract rate beyond 20% DGS.

Illustration 5 - RoR hydro station under-injection

Assume scheduled generation = 25 MWh and actual injection = 20.5 MWh. Deviation = -4.5 MWh, i.e., 18% of schedule. Since the deviation is beyond 15%

but up to 20%, under-injection charge = 105% of RR. If RR = Rs. 4.00/kWh, payable amount = 4,500 kWh x Rs. 4.20/kWh = Rs. 18,900.

Illustration 6 - MSW seller over-injection beyond 20%

Assume scheduled generation = 10 MWh, actual injection = 12.5 MWh and contract rate = Rs. 5.00/kWh. Over-injection = 2.5 MWh. Receivable amount = 2.0 MWh up to 20% of schedule x Rs. 5.00/kWh = Rs. 10,000. The excess 0.5 MWh beyond 20% is settled at zero.

ANNEXURE - VI: Standalone Energy Storage System Illustration

For a standalone ESS, charges for deviation are treated in the same manner as a general seller. In charging mode, deviation by way of over-drawal is treated as under-injection, and deviation by way of under-drawal is treated as over-injection.

ESS operational condition	DSM treatment
Discharging mode - actual injection exceeds schedule	Treated as seller over-injection.
Discharging mode - actual injection below schedule	Treated as seller under-injection.
Charging mode - actual drawal exceeds scheduled charging drawal	Treated as under-injection.
Charging mode - actual drawal lower than scheduled charging drawal	Treated as over-injection.

Illustration 7 - ESS in charging mode

Assume the ESS is scheduled to draw 50 MW for charging for a 15-minute block, i.e., 12.5 MWh. Actual drawal is 55 MW, i.e., 13.75 MWh. Over-drawal in charging mode = 1.25 MWh and is treated as under-injection. If $f = 49.95$ Hz and RR = Rs. 4.00/kWh, the under-injection rate within VLS(1) is 114.30% of RR. Payable amount = 1,250 kWh x Rs. 4.572/kWh = Rs. 5,715.

ANNEXURE - VII: Charges for Deviation - Buyers

For buyers, deviation charges are linked to the Normal Rate (NR), frequency and applicable buyer volume limit. Under-drawal is generally receivable by the buyer,

while over-drawal is payable by the buyer, subject to the specified frequency and volume-limit treatment.

Buyer volume category / condition	Under-drawal	Over-drawal
VLB(1), $f = 50.00$ Hz	90% of NR	100% of NR
VLB(1), $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$	Reduces by 8% of NR per 0.01 Hz; reaches 50% at 50.05 Hz.	Reduces by 5% of NR per 0.01 Hz; reaches 75% at 50.05 Hz.
VLB(1), $49.90 \text{ Hz} \leq f < 50.00 \text{ Hz}$	Increases by 1% of NR per 0.01 Hz; reaches 100% at 49.90 Hz.	Increases by 5% of NR per 0.01 Hz; reaches 150% at 49.90 Hz.
VLB(2)	Rates specified for VLB(2), depending on frequency.	Rates specified for VLB(2), depending on frequency.
VLB(3)	Zero when $f < 50.10$ Hz; buyer pays 10% of NR when $f \geq 50.10$ Hz.	200% of NR when $f < 50.00$ Hz; NR when $50.00 \text{ Hz} \leq f < 50.10$ Hz; 50% of NR when $f \geq 50.10$ Hz.

Illustration 8 - Buyer over-drawal within VLB(1)

Assume scheduled drawal = 75 MWh, actual drawal = 78.75 MWh, deviation = +3.75 MWh and NR = Rs. 5.00/kWh. Frequency = 49.94 Hz. The applicable over-drawal rate within VLB(1) is 130% of NR. Rate = Rs. 6.50/kWh. Payable amount = 3,750 kWh x Rs. 6.50/kWh = Rs. 24,375.

Illustration 9 - Buyer over-drawal beyond VLB(2)

Assume a buyer has scheduled drawal of 500 MW for a 15-minute block (125 MWh) and actual drawal of 590 MW (147.5 MWh). Deviation = +22.5 MWh, equivalent to 90 MW average. VLB(1) is 50 MW and VLB(2) is up to 75 MW; hence the deviation falls beyond VLB(2), i.e., VLB(3). If $f = 49.95$ Hz and NR = Rs. 5.00/kWh, over-drawal under VLB(3) is payable at 200% of NR. Amount payable = 22,500 kWh x Rs. 10.00/kWh = Rs. 225,000.

ANNEXURE – VIII: DSM Price Vector Illustration for General Sellers (RR-Based)

The following table illustrates the step-by-step computation of deviation charges as a percentage of the Reference Charge Rate (RR) at each 0.01 Hz frequency step,

for deviation by a general seller within VLS(1), i.e., deviation up to 10% of DGS or 100 MW, whichever is less. This illustration corresponds to the provisions relating to charges for deviation for general sellers under the Regulations.

Let RR = Reference Charge Rate applicable to the seller for the relevant time block.

Seller Deviation Charges within VLS(1) - Step-by-Step Illustration

Below	Not Below	Over-injection Charge (% of RR) [Receivable by Seller]	Under-injection Charge (% of RR) [Payable by Seller]
-	50.10	Seller pays @ 10% of RR	85% of RR
50.10	50.05	Zero (nil receivable)	85% of RR
50.05	50.04	50% of RR	85% of RR
50.04	50.03	75% of RR	92.50% of RR
50.03	49.97	100% of RR (= RR)	100% of RR (= RR)
49.97	49.96	102.15% of RR	107.15% of RR
49.96	49.95	104.30% of RR	114.30% of RR
49.95	49.94	106.45% of RR	121.45% of RR
49.94	49.93	108.60% of RR	128.60% of RR
49.93	49.92	110.75% of RR	135.75% of RR
49.92	49.91	112.90% of RR	142.90% of RR
49.91	49.90	115% of RR	150% of RR
49.90	-	115% of RR	150% of RR

Note 1: System frequency = f ; f band = $[49.90 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$; DGS = deviation of general seller as computed under the Regulations. The over-injection and under-injection treatment above applies only to deviation within VLS(1).

Note 2: For deviation beyond VLS(1), the charges shall be determined as specified in the applicable table for general sellers in the Regulations. In particular, over-injection beyond the permissible volume limit may be treated at zero or as payable by the seller under high-frequency conditions, and under-injection may attract higher charges under low-frequency conditions, as specified in the Regulations.

Note 3: The values in the table are illustrative step values. In the frequency range above 50.03 Hz and up to 50.05 Hz, the over-injection charge reduces by 25% of RR for every 0.01 Hz increase and the under-injection charge reduces by 7.5% of RR for every 0.01 Hz increase. In the frequency range below 49.97 Hz and up to 49.90 Hz, the over-injection charge increases by approximately 2.15% of RR for every 0.01 Hz decrease and the under-injection charge increases by approximately 7.15% of RR for every 0.01 Hz decrease.

Illustration 10 - General Seller

Assume RR = Rs. 3.50/kWh, average grid frequency = 49.94 Hz, and the seller deviation is within VLS(1). From Table A-I, the applicable over-injection rate is 108.60% of RR. Therefore, over-injection charge rate = $1.0860 \times 3.50 = \text{Rs. } 3.80/\text{kWh}$, rounded as per the Regulations. For under-injection at the same frequency, the applicable rate is 128.60% of RR, i.e., $1.2860 \times 3.50 = \text{Rs. } 4.50/\text{kWh}$, rounded as per the Regulations.

ANNEXURE - IX: DSM Price Vector Illustration for Buyers (NR-Based)

The following table illustrates the step-by-step computation of deviation charges as a percentage of the Normal Rate of Charges for Deviation (NR) at each 0.01 Hz frequency step, for deviation by a buyer within VLB(1). The illustration corresponds to the provisions relating to charges for deviation for buyers under the Regulations.

Let NR = Normal Rate of Charges for Deviation applicable for the relevant time block as computed under the Regulations.

Buyer Deviation Charges within VLB(1) - Step-by-Step Illustration

Below	Not Below	Under-drawal Charge (% of NR) [Receivable by Buyer]	Over-drawal Charge (% of NR) [Payable by Buyer]
-	50.10	Buyer pays @ 10% of NR	Zero
50.10	50.05	Zero (nil receivable)	50% of NR
50.05	50.04	50% of NR	75% of NR
50.04	50.03	58% of NR	80% of NR

Below	Not Below	Under-drawal Charge (% of NR) [Receivable by Buyer]	Over-drawal Charge (% of NR) [Payable by Buyer]
50.03	50.02	66% of NR	85% of NR
50.02	50.01	74% of NR	90% of NR
50.01	50.00	82% of NR	95% of NR
50.00	49.99	90% of NR	100% of NR (= NR)
49.99	49.98	91% of NR	105% of NR
49.98	49.97	92% of NR	110% of NR
49.97	49.96	93% of NR	115% of NR
49.96	49.95	94% of NR	120% of NR
49.95	49.94	95% of NR	125% of NR
49.94	49.93	96% of NR	130% of NR
49.93	49.92	97% of NR	135% of NR
49.92	49.91	98% of NR	140% of NR
49.91	49.90	99% of NR	145% of NR
49.90	-	100% of NR (= NR)	150% of NR
-	50.10	Buyer pays @ 10% of NR	Zero

Note 1: VLB(1) shall be as specified in the volume-limit provisions of the Regulations. DBUY = deviation of buyer as computed under the Regulations. The table above illustrates only the rate treatment for deviation within VLB(1).

Note 2: For under-drawal within VLB(1), the anchor at $f = 50.00$ Hz is 90% of NR; moving upward from 50.00 Hz to 50.05 Hz reduces the rate by 8% of NR for every 0.01 Hz step; moving downward from 50.00 Hz to 49.90 Hz increases the rate by 1% of NR for every 0.01 Hz step. For over-drawal within VLB(1), the anchor at $f = 50.00$ Hz is 100% of NR; moving upward from 50.00 Hz to 50.05 Hz reduces the rate by 5% of NR for every 0.01 Hz step; moving downward from 50.00 Hz to 49.90 Hz increases the rate by 5% of NR for every 0.01 Hz step.

Note 3: For deviations beyond VLB(1), the charges shall be determined in accordance with the applicable provisions for VLB(2) and VLB(3), as specified in the Regulations.

Illustration 11 - Buyer

Assume NR = Rs. 3.50/kWh, average grid frequency = 49.94 Hz, and the buyer deviation is within VLB(1). From Table A-II, the applicable over-drawal rate is 130% of NR. Therefore, over-drawal charge rate = 1.30×3.50 = Rs. 4.55/kWh, rounded as per the Regulations. For under-drawal at the same frequency, the applicable rate is 96% of NR, i.e., 0.96×3.50 = Rs. 3.36/kWh, rounded as per the Regulations.

ANNEXURE - X: Deviation Volume Limits and Sign-Change Requirement

The volume-limit provisions are intended to discourage excessive deviation. In addition, the Regulations require buyers and sellers to endeavour to ensure change in sign of deviation at least once after every six time blocks, or such other interval as may be specified by the Commission. Failure may attract additional charges at 20% of the applicable deviation charges for the duration of continued violation, subject to operational readiness and notification by the Commission.

Entity category	Applicable volume-limit concept
General seller	VLS(1): deviation up to 10% of DGS or 100 MW, whichever is less. Deviations beyond VLS(1) attract the higher treatment specified for beyond-limit deviations.
RoR generating station	VLS(1): deviation up to 15% of DGS or 150 MW, whichever is less. VLS(2): beyond VLS(1) and up to 20% of DGS or 200 MW, whichever is less.
Buyer other than low-schedule buyer	VLB(1): up to 10% of DBUY or 100 MW, whichever is less. VLB(2): beyond VLB(1) and up to 15% of DBUY or 200 MW, whichever is less. VLB(3): beyond VLB(2).
Buyer with schedule up to 400 MW	VLB(1): up to 20% of DBUY or 40 MW, whichever is less. VLB(2): beyond VLB(1).

Time block	Deviation sign	Observation
TB1	Positive	Deviation continues in one direction.
TB2	Positive	No sign change.
TB3	Positive	No sign change.

TB4	Positive	No sign change.
TB5	Positive	No sign change.
TB6	Positive	Six consecutive blocks completed.
TB7	Positive	Sign change not achieved; violation starts, subject to notified implementation.
TB8	Positive	Continued violation.
TB9	Negative	Sign changed; violation period ends.

Illustration 12 - Additional charge for sign-chane violation

Assume applicable deviation charges are Rs. 10,000 for TB7 and Rs. 12,000 for TB8. The sign changes in TB9. If the 20% additional charge provision has been notified for implementation, additional charge = $20\% \times (10,000 + 12,000) = \text{Rs. } 4,400$.

ANNEXURE - XI: Weekly Settlement, Payment Security and State Deviation Pool Account

The Regulations provide for weekly preparation of deviation charges statement, payment within the prescribed timeline, late payment surcharge, Letter of Credit requirement for defaulting entities and operation of the State Deviation Pool Account.

Item	Illustrative implementation
Weekly statement	SLDC prepares the statement for the seven-day settlement period and issues it to constituents as per the Regulations.
Payment timeline	Concerned entity pays the due amount within 7 days of issue of the statement.
Delayed payment surcharge	If payment is delayed, late payment surcharge applies at 0.04% per day for each day of delay.
Letter of Credit	Entity that failed to pay within time must open LC equal to 110% of average payable weekly liability or weekly outstanding liability, as applicable.
LC encashment	If payment is not made within the prescribed period, SLDC may encash LC to the extent of default; entity must recoup the LC within 3 days.

Item	Illustrative implementation
Pool surplus/shortfall	Surplus may be utilised for approved power system operation improvements. Shortfall may be recovered from State Entities in proportion to net deviation charges payable.

Illustration 13 - Late payment surcharge

Assume deviation charges payable = Rs. 10,00,000 and the entity delays payment by 5 days beyond the due date. Late payment surcharge = $10,00,000 \times 0.04\% \times 5$ = Rs. 2,000. Total amount payable = Rs. 10,02,000.

Illustration 14 - Letter of Credit requirement

Assume an entity failed to pay DSM dues within the prescribed timeline in the previous financial year and its average payable weekly liability was Rs. 8,00,000. Required LC = $110\% \times 8,00,000$ = Rs. 8,80,000. If in any later week the payable weekly liability exceeds the existing LC amount by more than 50%, the LC shall be enhanced to 110% of that liability.

ANNEXURE - XII: Intra-State Loss Allocation and Grid Disturbance / Force Majeure

The Regulations provide for allocation/accounting of intra-State transmission losses in accordance with the methodology approved by the Commission and also provide that during Grid Disturbance / Force Majeure, deviation charges for affected time blocks shall be zero.

Buyer	Scheduled drawal before allocation (MWh)	Share of schedule	Illustrative loss allocation at 3% (MWh)
Buyer A	600	60%	18
Buyer B	400	40%	12
Total	1,000	100%	30

Illustration 15 - Loss allocation

If total scheduled drawal is 1,000 MWh and approved intra-State transmission loss allocation is 3%, total loss to be allocated is 30 MWh. Buyer A with 60%

share bears 18 MWh, and Buyer B with 40% share bears 12 MWh, subject to the methodology approved by the Commission.

Illustration 16 - Grid Disturbance / Force Majeure

Assume a Grid Disturbance affects time blocks TB20 to TB24. For these affected blocks, deviation charges are zero. Scheduled generation and scheduled drawal are deemed equal to actual generation and actual drawal respectively for deviation accounting for the affected period.

Jharkhand State Electricity Regulatory Commission Statement Of Reasons (Explanatory Statement)

Draft Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026

1. Introduction

The Deviation Settlement Mechanism is an important regulatory framework for ensuring grid discipline, frequency stability, accurate scheduling and commercial accountability for deviations from scheduled generation, drawal and injection. It provides a structured mechanism for accounting and settlement of deviations by State entities connected to the intra-State grid and promotes responsible grid behaviour among generators, distribution licensees, open access consumers, captive generating plants and other grid-connected entities.

In view of the significant developments in the power sector, including notification of the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, evolution of market-based mechanisms such as the Real Time Market, Integrated Day Ahead Market, High Price Day Ahead Market and ancillary services, and increasing integration of renewable energy and energy storage

systems, it has become necessary to frame a comprehensive intra-State DSM framework for the State of Jharkhand.

The Jharkhand power system is also witnessing increasing operational complexity due to demand growth, open access transactions, renewable energy integration, market participation and the need for improved scheduling and despatch discipline. Accordingly, the proposed JSERC DSM Regulations, 2026 seek to provide a transparent, predictable and enforceable framework for computation, accounting and settlement of deviations, while aligning the State mechanism with the principles laid down under the CERC DSM Regulations, 2024 and applicable grid code provisions.

Based on a detailed examination of the statutory framework, national DSM principles, operational requirements of the Jharkhand intra-State grid and the need for reliable system operation, the Commission has prepared the Draft Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026.

2. Objectives of the Proposed Regulations

The proposed Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 are intended to establish a general framework for accounting, computation and commercial settlement of deviations from scheduled generation, drawal and injection by State entities connected to the intra-State grid of Jharkhand.

The principal objective of the proposed Regulations is to promote grid discipline and ensure that State entities adhere to their approved schedules. By assigning commercial consequences to deviations from schedule, the framework seeks to encourage responsible grid behaviour, discourage excessive over-drawal, under-drawal, over-injection or under-injection, and support secure and reliable operation of the State power system.

The proposed Regulations also aim to provide a transparent and predictable mechanism for determination of deviation charges, prescription of deviation volume limits, preparation of deviation accounts, settlement of payable and receivable amounts, and operation of the State Deviation Pool Account. The

framework is intended to bring uniformity, accountability and financial discipline in the treatment of deviations within the State.

Further, the proposed Regulations seek to align the intra-State DSM framework of Jharkhand with the principles contained in the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, as amended from time to time, to the extent applicable, while suitably adapting the same to the operational requirements of the Jharkhand power system. The Regulations also seek to strengthen the role of the State Load Despatch Centre in scheduling, monitoring, deviation accounting and settlement-related processes.

Accordingly, the proposed Regulations are intended to promote scheduling and despatch discipline, ensure commercial accountability, provide regulatory certainty to State entities, facilitate timely settlement of deviation charges, and contribute to the secure, stable, economical and efficient operation of the intra-State electricity system in Jharkhand.

3. Statutory Basis

The proposed Regulations have been framed in exercise of the powers conferred upon the Commission under Sections 32, 33, 86 and 181 of the Electricity Act, 2003 and other enabling provisions. Section 32 entrusts the State Load Despatch Centre with responsibility for integrated operation of the State power system, including optimum scheduling and despatch, monitoring of grid operations, energy accounting and real-time grid control. Section 33 empowers the State Load Despatch Centre to issue directions and exercise supervision and control for ensuring integrated grid operations and economy and efficiency in the operation of the State power system.

The proposed Regulations are intended to provide the operational and commercial framework necessary for effective discharge of these statutory responsibilities. By establishing a transparent mechanism for computation, accounting and settlement of deviations from schedule, the Regulations seek to promote grid discipline, ensure compliance with scheduling and despatch instructions, support secure and reliable operation of the intra-State grid, and strengthen the institutional role of the SLDC under the Electricity Act, 2003.

4. Scope and Applicability

The proposed Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 shall apply to State entities connected to or using the intra-State transmission and distribution system of Jharkhand, whose scheduling, metering, energy accounting and deviation settlement are undertaken at the State level under the control area of the State Load Despatch Centre.

The proposed Regulations cover conventional generating stations, hydro generating stations subject to the specific provisions of these Regulations, distribution licensees, deemed distribution licensees, open access consumers, captive generating plants, Energy Storage Systems, buyers, sellers and such other entities as may be specified by the Commission. The Regulations provide the framework for scheduling, declaration of capacity wherever applicable, computation of deviations, determination and settlement of deviation charges, deviation volume limits, payment security mechanism and administration of the State Deviation Pool Account.

The Commission has framed the present Regulations as a general DSM framework. Accordingly, wind, solar, hybrid renewable generating stations and renewable energy projects coupled with storage have not been specifically covered under these Regulations, considering their distinct forecasting, variability and scheduling characteristics. Such generating stations may be dealt with under a separate regulatory framework, as and when considered appropriate by the Commission.

The Commission also recognises that certain hydro generating stations and storage assets may be operated in coordination with irrigation, drinking water supply, flood management or other State-level requirements. Such assets may require specific treatment, since their operation may not be governed solely by commercial scheduling considerations. Therefore, their applicability and treatment shall be governed as provided in these Regulations or as may be determined by the Commission from time to time.

The scope of the proposed Regulations is therefore intended to ensure grid discipline, commercial accountability and transparent settlement of deviations among covered State entities, while preserving flexibility for separate treatment of

entities having distinct operational characteristics or public-service obligations. or public-service obligations.

5. Adoption of Market-Linked DSM Framework

One of the significant changes proposed under the Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 is the adoption of a market-linked deviation settlement framework, broadly aligned with the principles contained in the CERC DSM Regulations, 2024, as amended from time to time.

The proposed framework introduces the concept of Normal Rate of Charges for Deviation, linked to prevailing market-discovered prices and applicable reference rates. The objective of linking deviation charges with market signals is to ensure that the commercial settlement of deviations reflects the economic cost of balancing the power system during the relevant time block.

The Commission is of the view that market-linked deviation settlement will encourage State entities to improve scheduling accuracy, undertake prudent power procurement and sale planning, and use organised electricity markets for balancing their real-time requirements instead of relying on deviations from schedule. The DSM framework is intended to operate as a grid discipline mechanism and not as an alternative route for regular power trading or procurement.

By aligning deviation charges with market prices, the proposed Regulations seek to provide appropriate economic signals, reduce excessive deviations, prevent commercial arbitrage, promote transparency in settlement and support secure, reliable and economical operation of the Jharkhand intra-State power system. The framework has been suitably adapted to the operational requirements of the State grid and the role of the State Load Despatch Centre while maintaining consistency with the national DSM framework. while maintaining consistency with the national DSM framework.

6. Reference Charge Rate and Deviation Charges

The proposed Regulations provide for determination of the Reference Charge Rate and prescribe a structured framework for levy of deviation charges in respect of

over-injection, under-injection, over-drawal and under-drawal by sellers and buyers connected to the intra-State grid of Jharkhand.

The Reference Charge Rate is intended to serve as an appropriate benchmark for commercial settlement of deviations, having regard to prevailing market prices, applicable regulatory principles and the cost of balancing the power system. The framework seeks to ensure that deviation charges reflect both market conditions and operational requirements of the State grid.

While the proposed framework broadly follows the principles adopted under the CERC DSM Regulations, 2024, the Commission has suitably adapted the same to the requirements of the Jharkhand intra-State power system. The proposed treatment of deviation charges is intended to discourage excessive, repeated or commercially motivated deviations and to ensure that DSM does not become a substitute for planned procurement, sale or scheduling of power.

The Commission is of the view that separate treatment for sellers and buyers, and for different categories of deviation, is necessary to provide correct commercial signals and ensure accountability. Accordingly, the proposed Regulations seek to promote schedule discipline, prevent arbitrage through deviation settlement, strengthen grid security and support transparent and timely commercial settlement through the State Deviation Pool Account.

7. Frequency Discipline and State-Specific Provisions

While the proposed JSERC DSM Regulations, 2026 broadly adopt the market-linked principles contained in the CERC DSM Regulations, 2024, the Commission considers that deviation settlement must also continue to support frequency discipline and secure operation of the State grid. Frequency is a key indicator of real-time balance between generation and demand, and deviations from schedule may adversely affect system stability, particularly during stressed grid conditions.

The Commission is therefore of the view that complete reliance on market-linked commercial signals, without suitable operational safeguards, may not be sufficient for maintaining discipline in the intra-State power system. Accordingly, the proposed Regulations incorporate provisions relating to deviation volume limits, treatment of sustained deviations, sign-change requirements and enhanced

commercial treatment for deviations that adversely affect grid discipline or continue persistently.

These State-specific provisions are intended to discourage over-drawal, under-drawal, over-injection and under-injection beyond permissible limits. The framework also seeks to ensure that State entities do not rely upon the DSM mechanism as an alternative to proper scheduling, planned procurement, sale or portfolio management.

The Commission considers that such provisions are necessary having regard to the operational requirements of the Jharkhand power system, the role of the State Load Despatch Centre in real-time grid management, and the need to maintain secure, reliable and economic operation of the intra-State grid. The proposed framework therefore balances market-linked deviation settlement with operational discipline, transparency and accountability among State entities. with operational discipline, transparency and accountability among State entities.

8. Treatment of Hydro Stations and Energy Storage Systems

The Commission has examined the operational characteristics of hydro generating stations and Energy Storage Systems and considers that such resources may require differentiated treatment under the proposed DSM framework. Hydro generation, particularly from Run-of-River stations, is dependent upon water availability and natural inflows, and such stations may have limited ability to strictly control generation in accordance with schedule.

The proposed Regulations therefore provide separate treatment for Run-of-River hydro stations, recognising the limited controllability of water availability and generation schedules. Further, State-owned hydro generating stations associated with irrigation, drinking water supply, flood moderation or reservoir management requirements may not be operated purely on commercial scheduling considerations. Their generation may be incidental to water release decisions taken for broader public purposes.

Similarly, State-owned Energy Storage Systems associated with irrigation projects, drinking water supply requirements or system operation needs may be operated under coordinated despatch instructions issued by the State Load Despatch

Centre. Such assets may support grid balancing, peak management, system security and other operational requirements.

The Commission is of the view that application of standard DSM provisions to such hydro and storage assets may not appropriately reflect their operational constraints and system-support role. Accordingly, the proposed Regulations provide for exclusion or specific treatment of such assets, as may be specified in the Regulations or determined by the Commission from time to time.

This approach is intended to ensure that the DSM framework remains practical, fair and aligned with actual system operation, while continuing to promote scheduling discipline, grid security and transparent deviation settlement within the Jharkhand intra-State power system.

9. Gaming Provisions and Enforcement Framework

The Commission has proposed to strengthen the provisions relating to gaming, deliberate deviation, mis-declaration and operational non-compliance under the Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026. The Deviation Settlement Mechanism is intended to operate as a grid discipline mechanism and not as an alternative arrangement for regular procurement, sale or commercial optimisation of power.

Experience under DSM frameworks has shown that deliberate or persistent deviations from schedule, inaccurate declaration of capacity, sustained unidirectional deviations, non-compliance with SLDC directions or conduct intended to derive undue commercial benefit may undermine the objectives of deviation settlement and affect secure operation of the State grid. The proposed Regulations therefore provide a strengthened mechanism for monitoring, verification, inquiry and enforcement.

The State Load Despatch Centre shall monitor schedules, actual drawal and injection, declared capacity, metering data, deviation trends and compliance with applicable limits and procedures. Where any abnormal deviation pattern, suspected gaming or persistent non-compliance is observed, the SLDC may seek information, undertake verification or capability assessment, and submit its findings to the Commission for appropriate action.

The Commission may initiate inquiry or proceedings, either on the basis of the SLDC's report or on its own motion, and may call for relevant records, data and explanations from the concerned entity. Where gaming, mis-declaration or deliberate deviation is established, the Commission may issue suitable directions, order recovery or adjustment of undue gains, impose additional commercial consequences, or take such other action as may be permissible under the Electricity Act, 2003 and applicable regulations.

The Commission considers that a strong enforcement framework is essential to preserve the integrity of the DSM mechanism, prevent commercial arbitrage, protect the State Deviation Pool Account, ensure equitable treatment of all State entities, and promote secure, reliable and disciplined operation of the Jharkhand intra-State power system.

10. Payment Security and Settlement Mechanism

The proposed Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 strengthen the framework for payment security, accounting and settlement of deviation charges. The Commission considers that timely settlement of deviation charges is critical for maintaining confidence in the DSM framework and ensuring financial discipline among State entities.

The proposed Regulations provide for adequate payment security by way of Letter of Credit or such other mechanism as may be specified, so that liabilities arising on account of deviation charges are secured and payment defaults are minimised. The Regulations also prescribe timelines for issuance of deviation accounts, payment of charges, adjustment of receivables and treatment of delayed payments, including levy of delayed payment surcharge wherever applicable.

The proposed framework further provides for operation and administration of the State Deviation Pool Account, which shall serve as the central settlement mechanism for receipt and payment of deviation charges and related amounts. Weekly accounting and settlement procedures, preparation and publication of energy accounts and deviation accounts, and transparent communication of settlement statements are intended to ensure accountability and efficient administration.

The Commission also considers it appropriate to provide for governance and oversight through the State Power Committee or such other institutional mechanism as may be specified. This will facilitate review of settlement issues, payment status, defaults, account reconciliation and operational matters relating to DSM implementation.

Accordingly, the payment security and settlement provisions are intended to ensure timely recovery and disbursement of deviation charges, discourage payment defaults, strengthen financial discipline, promote transparency in energy accounting and settlement, and support the effective implementation of the DSM framework within the Jharkhand intra-State power system. framework within the Jharkhand intra-State power system.

11. Expected Benefits

The Commission expects that the proposed Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 will strengthen grid discipline, improve adherence to schedules and ensure commercial accountability for deviations by State entities connected to the intra-State grid.

The proposed Regulations are expected to promote better scheduling, despatch and drawal discipline among generating stations, distribution licensees, open access consumers, captive generating plants, Energy Storage Systems, buyers, sellers and other applicable State entities. By providing transparent commercial consequences for deviations, the framework will encourage responsible grid behaviour and improve real-time balancing of the State power system.

The Regulations are also expected to enhance transparency in computation, accounting and settlement of deviation charges. The provisions relating to deviation volume limits, Reference Charge Rate, Normal Rate, payment security, delayed payment surcharge, weekly settlement and administration of the State Deviation Pool Account will provide greater certainty and financial discipline among participants.

The proposed framework will strengthen the role of the State Load Despatch Centre in monitoring schedules, actual drawal and injection, deviation patterns and compliance with the Regulations. It will also help discourage persistent deviations,

gaming and use of the DSM mechanism as an alternative to planned procurement, sale or scheduling of power.

The Commission considers that the proposed Regulations will support secure, reliable, economical and efficient operation of the Jharkhand intra-State power system. The framework seeks to balance market-linked DSM principles with State-specific operational requirements and is expected to provide a sound regulatory foundation for disciplined grid operation and transparent deviation settlement in the State. grid operation and transparent deviation settlement in the State.

12. Invitation for Comments and Suggestions

In accordance with Section 181(3) of the Electricity Act, 2003, the Draft Jharkhand State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2026 are being published for inviting comments, objections and suggestions from stakeholders and members of the public.

The Commission invites views on all aspects of the Draft Regulations, including applicability, scheduling discipline, computation and settlement of deviations, deviation charges, deviation volume limits, payment security, operation of the State Deviation Pool Account, enforcement provisions and related implementation matters.

Stakeholders may submit their comments, objections and suggestions within the time period specified in the public notice issued by the Commission. The Commission shall consider all comments, objections and suggestions received during the consultation process before finalising and notifying the Regulations.

The consultation process is intended to ensure transparency, stakeholder participation and development of a practical, balanced and enforceable DSM framework for the Jharkhand intra-State power system.