

## **HARYANA ELECTRICITY REGULATORY COMMISSION**

**BAYS NO. 33- 36, SECTOR -4, PANCHKULA-134113, HARYANA**

**Discussion Paper for inviting comments/objections from stakeholders/ general public for finalization of draft Haryana Electricity Regulatory Commission Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Require Security Regulations 2016 (3<sup>rd</sup> Amendment) Regulation, 2023.**

### **Statement of Objects and Reasons:**

The Haryana Electricity Regulatory Commission in exercise of powers conferred on it by Section 61(d) and Section 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf had framed the Regulations, Haryana Electricity Regulatory Commission (Single Point Supply to Employer's Colonies, Group Housing Societies and Residential or Commercial cum Residential Complexes of Developers) Regulations, 2020, notified on 22<sup>nd</sup> April, 2020 for laying down the provisions/procedures for supply of electricity at a Single Point to the Residential Colonies of Employers, the GHSs and Residential or Residential cum Commercial Complexes of Developers which are bounded with walls and have restricted entry, for further supply of electricity to the members/employees and other services/establishments inside their premises by the GHS/Employer/Developer.

The Commission later observed that the objectives of Single Point Supply Regulations, 2020, in case of developers, are not being fulfilled as developers are neither coming forward for creating obligated external electrical infrastructure, nor depositing Bank Guarantees (for pending obligations on their part) as per the provisions of various regulations. Due to non-fulfilment of obligation on the part of developers, distribution licensees are not able to release connections to residents in such areas where there is deficient electrical infrastructure owing to non-fulfilment of obligation by developers.

Through this amendment, the Commission is aiming to tackle this issue so that the residents of such areas do not suffer on this account in future.

### **Accordingly, following issues have been framed for consideration:**

1. The builders/ Developers are not coming forward to meet their obligations as per different regulations for installation of electrical infrastructure such as a substation/Line/Bay corresponding to their contracted load.
2. Due to non-fulfilment of the obligation by the builders/developers, the distribution licensees are not releasing the connections in the area of defaulting builder/developer, which is causing great harassment and dissatisfaction among the residents.
3. In recent past, a number of petitions (12), have been preferred by the licensees in the Commission wherein it has been prayed to direct the defaulting developers to deposit the requisite amount or bank guarantee to ensure that the inadequacies are met with and the connections are released to the residents who are suffering on this account. Initially, there was an inadequacy of about 976.75Cr, relating to 16 builders in the area of distribution licensee under DHBVN. Later on, a Committee of Nigam's officers was constituted in 2019, to reassess the cost of inadequacies due to revision in load norms in 2017 as per Sale Circular D-16/2017 and accordingly the benefit of reduction in load

norms has been extended to the developers. Due to these load revisions, the costs of inadequacy have been reduced from 976.75 crores in 2013 to 317.96 crores in 2019 relating to 16 no. builders, which is yet to be deposited.

4. At times, proper estimates are not conveyed to the builder timely due to which the developer/ builder may not be aware of total quantum of obligation at pre-hand.
5. Also, there is a lot of subjectivity in preparing of the estimates.
6. To help creation of need-based infrastructure as per load growth to avoid stranded infra in pockets with slow load growth.
7. The infrastructure up to 33kv level need to be created, owned and maintained by the licensee with standard rating equipment. This will help in inventory control & further facilitate immediate replacement in case of damage of any equipment.

Considering the above issues, the draft regulations as discussion paper for whole of Haryana, except new Sectors 58 – 115 and Sector 37C & 37D of Gurugram, new sectors of Faridabad and areas falling on the left side of Delhi – Jaipur highway in Dharuhera (as the same has been dealt separately) has been prepared and proposed as amendment to existing regulations HERC (Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Recover Security) Regulations, 2016 (3<sup>rd</sup> Amendment) Regulation, 2023 for public / stakeholders consultation, (attached herewith at Annexure “A”).

Based on the feedback received on the discussion paper, the HERC (Power to Recover Expenditure and Power to Recover Security) Regulations, 2016 (3<sup>rd</sup> Amendment) Regulation, 2023 shall be given a final shape by the Commission, after following the due process.

**THE HARYANA ELECTRICITY REGULATORY COMMISSION**  
**Bays No. 33-36, Sector-4, Panchkula-134112, Haryana**

**Draft Notification**

The 2023

**Regulation No. HERC /34 /2016/3<sup>rd</sup> Amendment/2023-**

The Haryana Electricity Regulatory Commission, in exercise of the powers conferred under sub-Section 2 (t, v) of Section 181 read with Section 43,46 & 47 of the Electricity Act 2003 and all other powers enabling it in this behalf, after previous publication, makes the following regulations:

**1. Short title, Commencement and Interpretation:**

- 1.1. These Regulations shall become the part of Haryana Electricity Regulatory Commission Duty to Supply Electricity on Request and Power to Recover Expenditure and Power to Require Security Regulations 2016 (3<sup>rd</sup> Amendment) Regulation, 2023.
- 1.2. These regulations shall come into force with effect from the date of their publication in the Haryana Government Gazette.
- 1.3. These regulations shall be applicable in whole of Haryana, except new Sectors 58 – 115 and Sector 37C & 37D of Gurugram, new sectors of Faridabad and areas falling on the left side of Delhi – Jaipur highway in Dharuhera,

**2. Amendment to the Regulation 4: POWER TO RECOVER EXPENDITURE:**

After regulation 4.16, a new regulation 4.17 shall be added as under: -

**4.17 Special provisions for the Builders/Developers in whole of Haryana, except new Sectors 58 – 115 and Sector 37C & 37D of Gurugram, new sectors of Faridabad and areas falling on the left side of Delhi – Jaipur highway in Dharuhera shall be as under**

**4.17.1 System Loading Charges (Per MVA For Recovery of Expenditure incurred in Providing Electric Line or Eclectic Plant to an Applicant) leviable:**

1. “**System Loading Charges**” based on ultimate contracted load demand may be got deposited from the developer/builders’ for any connection at 33 KV or above voltage level, by the licensees in lieu of obligation of building a substation /line/bay by any builder/developer, in line with obligation as per regulation (3.2.1) of HERC (Supply Code) Regulation in vogue.

**CALCULATION OF SYSTEM LOADING CHARGES:** Three components have been considered in this regard.

- i) 25 MVA, 33/11kv Substation with two transformers of 12.5 MVA each
- ii) Line from consumer substation to Licensee's source of supply.
- iii) Bay at licensee substation for feeding consumer end substation.

**ASSUMPTIONS:**

To calculate the system loading charges the following assumptions are made.

- i) 25 MVA, 33/11 KV Substation with two transformers of 12.5 MVA each.
- ii) Only AIS substations and overhead lines have been considered.
- iii) Line Length: 33 KV, 5Km.

Since, sub-station would be required at a much later stage and further it could be used by licensee for feeding other loads also and till the development of substantial load, the developer will be fed from nearby existing system. Therefore, the full substation cost recovery upfront may not be justified.

Also, the per MVA cost for different voltage level substations have huge variation. It should be average cost and in the present case, it may be kept at Rs. 25 lakhs per MVA for all voltage levels.

The rates shall hold good for next two years. After expiry of two years, the licensee shall review the rates based on prevailing standard cost data book.

**THE SYSTEM Loading CHARGES AS PER SUPPLY CODE:** As per provision under regulation (3.2.1) of HERC (Supply Code) Regulation in vogue, system loading charges can be divided in to following categories:

Sr. No.	Contracted load	Substation Voltage Level (For making available the land for creation of Substation)	System Loading Charges
1.	Above 5 MVA up to 37.5 MVA (in 132 KV belt)	33KV	Rs.25 Lakhs per MVA
2.	Above 8 MVA up to 75 MVA (in 66 KV Belt)	66KV	
3.	Above 37.5MVA up to 100 MVA (in 132KV belt)	132KV	
4.	Above 75/100MVA (depending on 66 KV or 132 KV belt) up to 320MVA	220 KV	

2. The System Loading Charges need to be got deposited in lieu of obligation of building a substation /line/bay by any builder/developer, where the supply is to be given on voltage higher than 11KV, i.e. 33 KV or above on the basis of ultimate load of the colony/complex.
3. On receipt of the system loading charges from the developer/builder, the connection to the developer/builder area shall be released at once from the available infrastructure as per his immediate load demand and further development of infrastructure shall be initiated keeping in view the load growth of the builder. Timely planning and development of requisite infrastructure at 33 KV & above level shall be the responsibility of the licensee. Distribution licensee will be duty bound to release the load to the builder as per demand within 30 days of application thereof and no connection shall be denied or delayed on the pretext of non-availability of infrastructure. The internal distribution system up to 11 KV level, including 11KV lines and distribution transformers, LT lines etc. shall be provided by the developer.
4. Besides above system loading charges, the developer will provide a suitable land and right of way for installation of a substation of appropriate voltage level, to be erected in the colony, of the developer/ builder/ society/ owners/association of residents/ occupiers free of cost. The obligation of builder/developer for providing land to the licensee shall be as under:

<b>Obligation of builder/developer</b>	<b>Land to be handed over by the builder/developer to the licensee</b>
33 KV substation	One land parcel for 33 KV AIS substation for every 25MVA or part thereof
66 KV substation	Land for 66 KV AIS substation
132 KV substation	Land for 132 KV AIS substation.
220 KV substation	Land for 220 KV AIS substation and additionally, land for lower voltage substations, wherever required

5. The builders having projects which are geographically contiguous may form a group to hand over one combined land subject to the conditions as under.
  - i) All projects have the same voltage level obligation.
  - ii) After combining the load of all the projects, the voltage level obligation does not change.
  - iii) ROW for taking out the lines is provided by all the builders.
6. No connection, including the temporary connection, shall be released till the system loading charges are recovered and free of cost land, for installation of a substation/substations of appropriate voltage levels to be erected in the colony, of the builder/developer, is handed over to the licensee by the builder/developer. Possession of the land shall be taken by the licensee before release of connection.
7. No further service connection charges will be leviable on the consumers in the area from which system loading charges have already been recovered.

8. The phase wise development of the internal electrical infrastructure of such area/complex/colony as per requirement may be permitted by the licensee. In case, the internal infrastructure has not been built for any phase/phases of the project by the builder/developer, then a Bank Guarantee equivalent to the internal infrastructure cost of that phase/phases shall be got deposited by the licensee from the builder/developer before releasing the connection. After completion of internal infrastructure by the builder of any phase, the Bank Guarantee can be reduced proportionately.
9. The charges shall be collected by the distribution licensee only. If any infrastructure is required to be created by transmission licensee to cater such load then its expenditure may be claimed through ARR by the transmission licensee.
10. The spare capacity over & above the ultimate load of the builder, available at the substations built by licensees, can be used by the licensee to cater to loads other than that of the builder.
11. Tariff relevant to voltage level at which supply is extended to the builder/developer shall be applicable.

**4.17.2 IN CASE OF NON-BUILDERS/DEVELOPERS:** The regulations already in-vogue shall be applicable.

**4.17.3** All the relevant applicable regulations shall stand amended to the above extent.

By the order of the Commission

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Secretary,  
Haryana Electricity Regulatory Commission