

**APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI  
(APPELLATE JURISDICTION)**

**APL No. 41 OF 2016 and IA No. 2518 of 2023,**  
**APL No. 122 OF 2016,**  
**APL No. 73 OF 2016,**  
**APL No. 54 OF 2016,**

**Dated : 23<sup>rd</sup> August, 2024**

**Present: Hon'ble Mr. Sandesh Kumar Sharma, Technical Member  
Hon'ble Mr. Virendra Bhat, Judicial Member**

**APL No. 41 OF 2016 and IA No. 2518 of 2023**

**In the matter of:**

The Superintending Engineer (Operation)  
State Load Despatch Centre,  
Gujarat Energy Transmission Corporation Limited,  
132 KV Gotri Sub Station Compound,  
Near TB Hospital, Gotri Road,  
Vadodara, Gujarat,  
Pin: 390023

**.....Appellant**

**Versus**

1. Central Electricity Regulatory Commission  
Through its Secretary  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chandralok Building,  
36, Janpath, New Delhi – 110 001
2. Western Regional Load Despatch Centre  
Through Executive Director  
F-3, M.I.D.C Area, Marol  
Andheri (East), Mumbai- 400093

**.....Respondents**

**Counsel for the Appellant(s) : Mr. Anand K. Ganesan  
Ms. Swapna Seshadri**

Ms. Ashabari Thakur  
Mr. Amal Nair  
Mr. Damodar Solanki  
Ms. Adhishree  
Ms. Parichita Choudhary  
Ms. Neha Garg  
Mr. Ashwin Ramanathan  
Ms. Rhea Luthra  
Mr. Sandeep Rajpurohit  
Ms. Ranjitha Ramachandran

Counsel for the Respondent(s) : Mr. Sethu Ramalingam  
Mr. K.S Dhingra for R-1

Ms. Abiha Zaidi  
Ms. Suriti Choudhary  
Mr. Anuj Bhave  
Mr. Naman Kumar for R-2

**APPEAL NO. 54 OF 2016**

**In the matter of:**

The Chief Engineer,  
Chhattisgarh State Load Despatch Centre (SLDC)  
CS Power Transmission Corporation Limited,  
Daganiya, Raipur-492013 (CG)

.....**Appellant**

**Versus**

Central Electricity Regulatory Commission  
Through its Secretary  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chandralok Building,  
36, Janpath, New Delhi – 110 001.

.....**Respondent**

Counsel for the Appellant(s) : Mr. Kaustubh Shukla  
Ms. Nancy Shamim  
Mr. N. Shukla  
Mr. Raghvendra Pandey  
Mr. Apoorv Kurup  
Mr. Siddharth Nigotia  
Mr. A. C. Boxipatro  
Ms. Nidhi Mittal

Ms. Isha Mital  
Mr. Avinash Rathi  
Mr. V. C. Shukla

Counsel for the Respondent(s) : Mr. Sethu Ramalingam  
Mr. K. S. Dhingra for R-1

**APPEAL NO. 73 OF 2016**

**In the matter of:**

State Load Despatch Centre  
MP Power Transmission Corporation Ltd.  
Nayagaon, Rampur,  
Jabalpur, M. P.

.....**Appellant**

**Versus**

1. Central Electricity Regulatory Commission  
Through its Secretary  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chandralok Building,  
36, Janpath, New Delhi – 110 00.
2. Western Regional Load Despatch Centre,  
Through its General Manager,  
F-3, MIDC Area, Marol,  
Andheri (E), Mumbai-400093
3. Northern Regional Load Despatch Centre,  
18-A, Shaheed Jeet Singh Sansawal Marg,  
Katwaria Sarai,  
New Delhi- 110016.
4. Power Grid Corporation of India Ltd.,  
Through its CMD,  
Saudmini, Plot No.2, Sector-29,  
Near IFFCO Chowk,  
Gurgaon- 122001, Haryana.

.....**Respondents**

Counsel for the Appellant(s) : Mr. Ashish Anand Bernard  
Mr. Paramhans Sahani  
Mr. K. K. Prabhakar  
Mr. S. S. Podel  
Mr. Vishal Choudhari

Counsel for the Respondent(s) : Mr. Sethu Ramalingam  
Mr. K. S. Dhingra for R-1

Mr. Matrugupta Mishra  
Ms. Shikha Ohri  
Mr. Hemant Singh  
Mr. Saahil Kaul  
Mr. Nishant Kumar  
Mr. Nipun Dave  
Ms. Ritika Singhal  
Mr. Sanjeev S. Thakur  
Ms. Ishita Thakur  
Mr. Vighnesh Srinivasan  
Ms. Pratiksha Chaturvedi  
Ms. Shounya Malhotra  
Ms. Astha Chawla  
Ms. Soumya Singh  
Ms. Ankita Bafna  
Mr. Lakshyajit Singh Bagdwal  
Mr. Ambuj Dixit  
Mr. Divyanshu Bhatt  
Mr. Nimesh Jha for R-4

**APPEAL NO. 122 OF 2016**

**In the matter of:**

**Maharashtra State Load Despatch Centre (MSLDC)**

Thane-Belapur Road, P.O. Airoli,  
Navi Mumbai-400708, Maharashtra

.....Appellant

**Versus**

**Central Electricity Regulatory Commission**

Through its Secretary  
3<sup>rd</sup> and 4<sup>th</sup> Floor, Chandralok Building,  
36, Janpath, New Delhi – 110 001

.....Respondent

Counsel for the Appellant(s) : Mr. M. Y. Deshmukh  
Mr. Ram Narayan Kolhe  
Mr. Eknath T.D.  
Ms. Manjeet Kirpal  
Mr. Shrikant R. Deshmukh

Counsel for the Respondent(s) : Mr. Sethu Ramalingam  
Mr. K. S. Dhingra for R-1

## **J U D G M E N T**

### **PER HON'BLE MR. SANDESH KUMAR SHARMA, TECHNICAL MEMBER**

1. The captioned appeals have been filed by the Superintending Engineer (Operation) State Load Despatch Centre, Gujarat (in short "Appellant-G" or "GSLDC"), Chhattisgarh State Load Despatch Centre (in short "Appellant-C" or "CSLDC"), Madhya Pradesh State Load Despatch Centre (in short "Appellant-MP" or "MPSLDC"), and Maharashtra State Load Despatch Centre (in short "Appellant-MH" or "MSLDC") assailing the order dated 14.12.2015 passed in Petition No. 008/SM/2014 by the Central Electricity Regulatory Commission (in short "Central Commission" or "CERC"), whereby the CERC has imposed a penalty under section 142 of the Electricity Act, 2003 (in short "Act") for non-compliance of the provisions of section 29 of the Electricity Act, 2003 and Regulation 6.4.12 of the CERC (Indian Electricity Grid Code) Regulations, 2010 (in short "IEGC"), which came into effect on 03.05.2010.

#### **Description of Parties**

2. The Appellants are the State Load Despatch Centre for the State of Gujarat (SLDC), inter-alia vested with the functions under sections 32 and 33 of the Act.

3. The Central Electricity Regulatory Commission, CERC is a Statutory Body constituted under section 76 of the Act having powers to adjudicate the

disputes as raised in the captioned appeals under the provisions of the Act.

4. Western Region Load Despatch Centre (in short “WRLDC”) and Northern Region Load Despatch Centre (in short “NRLDC”) are the Regional Load Despatch Centres constituted under section 27 of the Act and having functions as per section 28 of the Act.

5. Power Grid Corporation of India Ltd (in short “PGCIL”) is the Inter-state Transmission licensee inter-alia vested with the functions of Central Transmission Utility (in short “CTU”) before being carved out of PGCIL.

### **Factual Matrix**

6. The facts of these appeals are similar therefore, these appeals are taken up for disposal through this common judgment and Appeal No. 41 of 2016 is taken as the lead appeal.

7. All the captioned appeals are challenging the imposition of penalty on the SLDCs in the Western Region under section 142 of the Act for non-compliance with the provisions of section 29 of the Act and Regulation 6.4.12 of the Regulations.

8. The CERC noted the facts of the case in the Impugned Order as under:

*“Northern Regional Grid failed on 30.7.2012 at about 2:30 hours and the Northern, Eastern and Northern-Eastern grids failed at about 13:00 hours on 31.7.2012. The grid failures plunged several States into darkness and left the people to fend without electricity for hours together and affected the communication, essential services,*

industry, economy and the life of the people in a large way. In view of the magnitude and severity of the grid disturbance, the Commission directed the Power System Operation Corporation Limited (POSOCO) and Central Transmission Utility (CTU) to investigate into grid failures and submit a report to the Commission. After carrying out a joint detailed investigation by POSOCO and CTU, POSOCO submitted a report on 9.8.2012 in this regard. **Based on the findings of report and after hearing the concerned parties, the Commission vide order dated 22.2.2014 in Petition No. 167/SM/2012 came to the conclusion that the following constituents have violated the various provisions of the Electricity Act, 2003, Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (Grid Code), Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, (CEA Technical Standards) and Central Electricity Authority (Grid Standard) Regulations, 2010 (CEA Grid Standards) as mentioned against each:**

S. No	Name of constituent /Organisation	Violations
1	Haryana, Punjab and UP (30.7.2012)	Section 29 of Electricity Act, 2003 and Regulations 5.4.2 (a), (g), (h) and (i) of Grid Code
2	Haryana, Punjab and Rajasthan (31.7.2012)	
3	Maharashtra, Gujarat, MP and Chhattisgarh (30.7.2012)	Section 29 of Electricity Act, 2003 and Regulations 6.4.12 of Grid Code
4	Maharashtra, Gujarat, Chhattisgarh (31.7.2012)	
5	WRLDC	Regulations 5.7.4 (g) (iv), 6.5.20 and 6.5.27 of Grid Code

6	NRLDC	Regulations 5.7.4 (g) (iv) of Grid Code
7	POWERGRID	Regulations 6 (4) (a) of CEA Technical Standards, Regulation 3 (e) of CEA Grid Standards and Regulations 5.7.4 (c) of Grid Code
8	NTPC (Sipat)	Section 29 of Electricity Act, 2003

9. The Indian Grid faced two grid failures on 30.07.2012 (2:30 hours) and again on 31.07.2012 (13:00 hours), as noted by the CERC in the Impugned Order:

*“Northern Regional Grid failed on 30.7.2012 at about 2:30 hours and the Northern, Eastern and Northern-Eastern grids failed at about 13:00 hours on 31.7.2012”*

10. Consequently, the CERC had initiated a *suo-moto* proceeding being Petition No. 167/SM/ 2012 against the Appellants for non-compliance with the provisions of the Act and the CERC Regulations *inter-alia* directing the Power System Operation Corporation Limited (in short “POSOCO”) and Central Transmission Utility (in short “CTU”) to investigate the causes of grid failures and submit a report to the CERC.

11. In compliance, POSOCO and CTU conducted a joint investigation and the report was submitted by POSOCO on 09.08.2012 to the CERC.

12. The CERC vide order dated 22.02.2014 disposed of Petition No. 167 /SM/2012, after considering the submissions of the Appellant in the said Petition along with a detailed response and the findings of the report submitted by POSOCO and CTU *inter-alia* directed for initiation of action under Section 142 of the Act against the constituents guilty of non-compliance of the provisions of the Act and Regulations, the relevant extract of the order dated



22.2.2014 is as under:

*"77. In the light of the foregoing discussion, we have come to the conclusion that there are some violations which are specific to this grid disturbance which need to be addressed here; other violations relating to UFRs, Telemetry, RGMO and non-submission of data are being addressed separately. **Accordingly, we find that the SLDC of Haryana, Uttar Pradesh, Punjab, Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh as well as Powergrid, WRLDC, NRLDC and NTPC have failed to comply with the provisions of the Electricity Act, 2003 and various Regulations of the Commission and CEA as mentioned in the preceding paragraphs. Accordingly, we direct staff of the Commission to process the case for issue of notice in accordance with provisions of Electricity Act, 2003.**"*

13. As seen above, in the said order dated 22.02.2014, the CERC had concluded that the Appellant had violated the various provisions of the Electricity Act, 2003, IEGC, Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations (in short "CEA Technical Standards") and Central Electricity Authority (Grid Standard) Regulations, 2010 (in short "CEA Grid Standards").

14. Because of the above, the Commission, vide order dated 20.6.2014, directed the respondents to show cause as to why action under Section 142 of the Act should not be initiated against them for non-compliance with the provisions of the Act, Grid Code, CEA Technical Standards and CEA Grid Standards."

15. The CERC also contemplated that the Appellant had violated section 29 of the Act and Regulation 6.4.12 of the Grid Code Regulations and consequently, the CERC passed another Order dated 20.6.2014 registering Petition No. 008/SM/2014 (suo-moto) directing the Appellant to show cause as to why action under section 142 of the Act should not be taken against them, the Appellant filed its response to the Petition No.008/SM/2014 pointing out that there was no non-compliance in so far as the Appellant was concerned.

16. The Commission recorded the submissions of the Appellants.

17. The CERC vide the Impugned Order dated 14.12.2015 has inter-alia held as under-

*"32. The respondents have submitted that they have performed their duties as per the provisions of the Act and Grid Code for safe and secure functioning of the grid and they are not responsible for the grid disturbances occurred on 30.7.2012 at 02:30 hrs and 31.7.2012 at 13:00 hrs. **However, the respondents have failed to prove that they had complied with the directions of the system operators prior to grid disturbances on 30.7.2012 and 31.7.2012. As per analysis in preceding paras and report of task force, the combined inaction/ non-serious approach created a situation which caused grid disturbance. We express our displeasure at the conduct of the respondents to ignore the directions of RLDCs and non-compliance of the provisions of the Grid Code, especially in such a matter where grid security is involved. In our view, there are no mitigating factors which exonerate the respondents from the charges initiated under section 142 of the Act. In our view, the charges against the respondents are proved and***

*accordingly, we impose the following penalty on the respondents under section 142 of the Act for noncompliance of the provisions of the Act and regulations which shall be deposited within one month from the issue of the order:*

.....

*(d) SLDCs of Western Region constituents, namely Gujarat, Maharashtra, and Madhya Pradesh have failed to comply with section 29 of the Act and Regulations 6.4.12 of Grid Code. We impose a penalty of one lakh on each SLDC.*

.....”

18. Hence, this appeal.

### **Submissions of the Appellant**

19. The Appellant submitted that the CERC overlooked the crucial fact that a penalty order cannot be mechanically enforced without establishing the necessary *mens rea* for the violation, especially when it concerns a statutory body, section 142 of the Electricity Act does not constitute a strict liability offense, necessitating the intent to contravene for any infringement.

20. The CERC in Paragraph 15 of the Impugned order dated 14.12.2015 has acknowledged the failure of WRLDC to revise schedules for the States in the Western Region, yet, it proceeded to penalize the Appellant SLDC for adhering to the schedules issued by WRLDC without *suo moto* adjusting its schedules, the Appellant alleged that it is unclear as to how this could be deemed to be a violation of section 29 of the Act, which specifically obligates SLDCs to comply with schedules and instructions issued by WRLDC.

21. It is important to note section 29 of the Act:

“ .....

section 29. (Compliance of directions): --- (1) *The Regional Load Despatch Centre may give such directions and exercise such supervision and control as may be required for ensuring stability of grid operations and for achieving the maximum economy and efficiency in the operation of the power system in the region under its control.*

(2) *Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the Regional Load Despatch Centres under subsection (1).*

(3) *All directions issued by the Regional Load Despatch Centres to any transmission licensee of State transmission lines or any other licensee of the State or generating company (other than those connected to inter State transmission system) or sub-station in the State shall be issued through the State Load Despatch Centre and the State Load Despatch Centres shall ensure that such directions are duly complied with the licensee or generating company or sub-station.*

(4) *The Regional Power Committee in the region may, from time to time, agree on matters concerning the stability and smooth operation of the integrated grid and economy and efficiency in the operation of the power system in that region.*

(5) *If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the regional grid or in relation to any direction given under sub-section (1), it shall be referred to the Central Commission for decision:*  
*Provided that pending the decision of the Central Commission, the directions of the Regional Load Despatch Centre shall be complied with by the State Load Despatch Centre or the licensee or the generating company, as the case may be.*

(6) *If any licensee, generating company or any other person fails to comply with the directions issued under sub-section (2) or sub-section (3), he shall be liable to a penalty not exceeding rupees fifteen lacs.”*

22. The Appellant also argued that it has also not violated the clause 6.4.12 of the Grid Code Regulations, which is formulated as follows:

“-----

*However, notwithstanding the above, the RLDC may direct the SLDCs / ISGS / other regional entities to increase/decrease their drawal/generation in case of contingencies e.g. overloading of lines / transformers, abnormal voltages, threat to system security. Such directions shall immediately be acted upon. In case the situation does not call for very urgent action, and RLDC has some time for analysis, it shall be checked whether the situation has arisen due to deviations from schedules, pursuant to short term open access. These shall be got terminated first, before an action, which would affect the scheduled supplies to the long term and medium term customers is initiated in accordance with Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009.*

....”

23. The Appellant submits that the Respondent CERC has disregarded the evidence provided by the Appellant SLDC, demonstrating that it meticulously followed every directive from the WRLDC in chronological order, the Appellant SLDC also submitted a CD containing sound recordings of the proceedings on 29.07.2012, indicating that prompt measures were taken to address issues of over-injection and under-drawal of various State utilities, which was ensured during real-time operations also.

24. The Respondent CERC failed to appreciate the fact that the Appellant SLDC in order to comply with the RLDC instructions, around 700 MW backing down (including stopping of STPS Unit No. 1 at 00:45 Hrs.) was taken from 22:00 Hrs. of 29.07.2012 to 02:00 Hrs. of 30.07.2012 from State Generating Stations. The details of station-wise relief obtained are tabulated as under:

		At 22:00 Hrs on 29.07.12	At 02:00 Hrs on 30.07.12	Difference	Remarks
State Owned Generation (GSECL) in MW	UTPS	584	487	97	All Units backed down to coal minimum
	WTGS	1170	960	210	
	GTPS	521	474	47	
	STPS	170	88	82	STPS Unit No. 1 was stopped at 00:45 Hrs. on 30.07.12
	KLTPS	131	137	-6	
	UGPP	54	23	31	All Units backed down to technical minimum
	DGBPS	177	157	20	All Units backed down to technical minimum
	UHPS	67	0	67	
	KHPS	55	55	0	Kept on bar due to irrigation requirement
		<b>Total GSECL</b>	<b>2929</b>	<b>2380</b>	<b>548</b>
Private Sector Generation in MW	APL	2686	2455	231	Reduced as per SLDC instruction.
	AECO	389	389	0	
	SLPP	359	358	1	Lignite based power plants.
	ALTPS	152	145	7	
	Sugen	433	517	-84	Generation is as per schedule.
	GSEG	108	108	0	Machines were running on technical minimum
	CLPIPL	146	147	-1	One machine was running on technical minimum
	Essar, Hazira	115	115	0	One machine was running on
					technical minimum
	EPGL, Vadinar	452	448	4	
	GIPCL-I	63	64	-1	Machines were running on technical minimum
	GIPCL-II	107	108	-1	
	<b>Total Private Sector</b>	<b>5010</b>	<b>4854</b>	<b>156</b>	
<b>Total Generation backed down from State &amp; Private Generating Stations</b>				<b>704</b>	

25. The Appellant submitted that they received notice of TTC Violation at 1:30 Hrs on 30.07.2012 which was the last notice sent by WRLDC before the grid disturbance, and to curb the under drawal by the State, an immediate

downward revision of Kawas/ Gandhar gas-based unit was requested by the Appellant SLDC, Gujarat but it was not adhered to timely by the WRLDC.

26. The commencement of the monsoon in Gujarat faced a delay, leading to a revision in the three-phase power supply to the agricultural sector, from 14.07.2012, the supply duration was extended from 8 to 10 hours, and a directive was issued by the Appellant on 14.07.2012, instructing power station heads to ensure maximum availability of power to meet round-the-clock demand without any load restrictions.

27. It was also communicated that the Appellant SLDC might need to review the previously approved maintenance outage schedule due to the crisis arising from the prolonged delay in the effective onset of the monsoon, in response to the situation, SLDC deferred the proposal for the shutdown of WTPS-4 (210 MW) and GIPCL Stage-2 (165 MW), additionally, CGPL was notified to expedite the restoration of its Unit No. 10 (Gujarat Share - 394 MW), which had tripped due to the generator transformer tripping on the Buchholz relay.

28. During July 2012, daily wind energy generation showed an upward trend, and there was a rising demand in the agriculture sector during the second fortnight of that month.

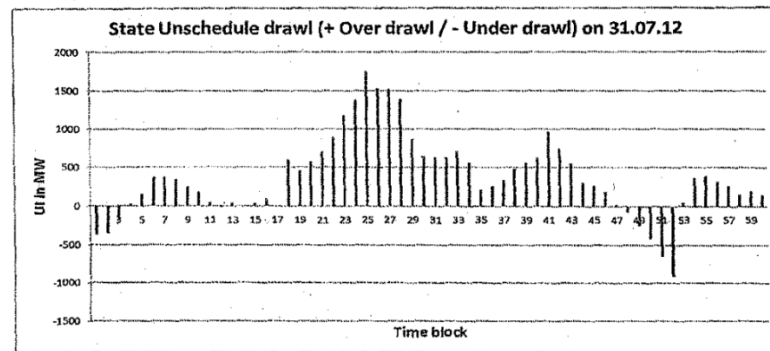
29. The Appellant submits that before the grid disturbance on 31.07.2012, certain actions were taken by the Appellant to ensure the security of the grid which are as follows:

- a) A certain saline effect was observed during the night of 30.07.2012 and 31.07.2013 which led to the unwanted tripping of EHV lines including the lines which are connected to the bigger-sized power



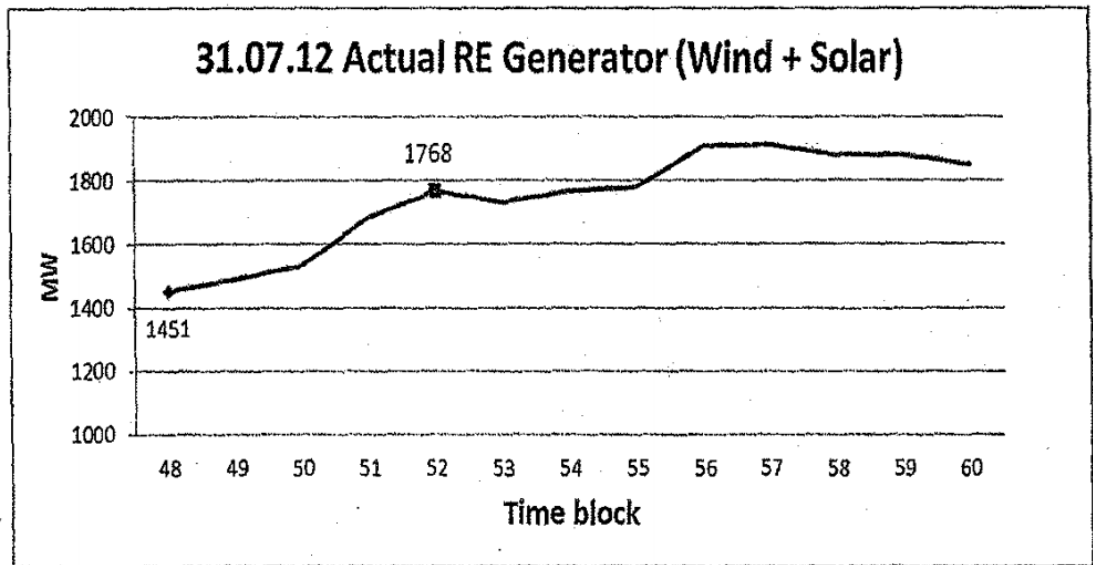
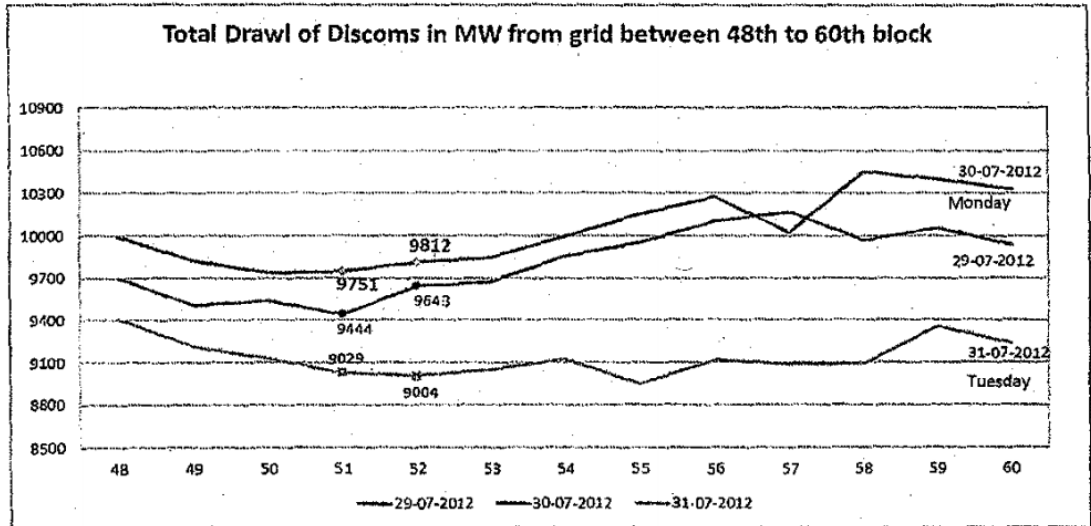
stations in the Kutch region that ultimately resulted in the tripping of the large-sized generators.

- b) The three units of EPGL unit No. 1 (GUVNL Share 500 MW), APL unit No. 4 (GUVNL share 250 MW), and APL unit No. 6 (GUVNL share 500 MW) were under forced outage on 29.07.2012, in addition to this, on 31.07.2012, EPGL unit No. 2 (GUVNL share 500 MW), CGPL unit No. 1 and 2 (GUVNL share 788 MW), and APL unit No. 3 (250 MW) were out due to forced tripping, so overall capacity of around 2788 MW generation was under forced outage at 07:00 Hrs of 31.07.2012.
- c) This led to the continuous underdrawal by the Appellant from the Grid on 31.07.2012 from 01:00 Hrs to 12:00 Hrs in the range of 300 to 1500 MW which can also be seen from the graph below.



- d) The below two graphs show the load pattern of the sum of the State Discoms withdrawal from the grid between the 48<sup>th</sup> to 60<sup>th</sup> blocks from 29.07.2012 to 31.07.2012.





e) The study of the above two graphs indicates that the block-to-block demand variation was high due to uncertain rainfall in the different regions of the state, the demand saw an increase on 30.07.2012 (Max. Demand 11501 MW) by 550 MW as compared to 29.07.2012 (Max. Demand 10961 MW) and dropped by 1000 MW on 31.07.2012 (Max. Demand 10504 MW) as compared to 30.07.2012, also, around 1600 MW demand variation was observed between daily maximum and minimum demand catered.

30. The increase in demand on 30.07.2012 was not as anticipated due to

rain in various parts of Gujarat, however, there was a significant boost of approximately 300 MW in renewable energy generation from wind and solar sources between 12:00 Hrs. and 13:00 Hrs, however, when under drawal was noticed at 12:15 Hrs., the Appellant proactively initiated a reduction of around 675 MW from State Generating Stations between 13:00 Hrs. to address the issue.

31. The above preemptive action was taken to prevent a recurrence of the incident on 30.07.2012, unfortunately, a grid disturbance occurred at 13:02 Hrs, although the Appellant had already taken action, a notice from WRLDC to reduce under drawal was received at 12:46 Hrs, subsequently, SLDC, Gujarat instructed APL, AECo, and SECo to adhere to their schedules., the relief obtained from each station is detailed in the table.

		At 13:00 Hrs on 31.07.12	At 13:15 Hrs on 31.07.12	Diff	Relief due to backing down	Remarks
State Owned Generation (GSECL) in MW	UTPS	762	651	111	111	
	WTPS	1193	942	251	251	
	GTPS	577	458	119	119	
	STPS	99	95	4		
	KLTPS	202	132	70		KLTPS-2 tripped at 13:02 Hrs.
	UGPP	71	71	0		Machines were running on technical minimum
	DGBPS	178	167	11	11	
	UHPS	0	0	0		
	KHPS	54	0	54	54	
<b>Total GSECL</b>		<b>3136</b>	<b>2516</b>	<b>620</b>	<b>546</b>	
Private Sector Generation in MW	APL	1800	1230	570		APL-7 (running at 494MW) tripped on SPS
	AECo	371	368	3		
	SLPP	358	331	27	27	
	ALTPS	123	131	-8		
	Sugen	481	392	89	89	
	GSEG	108	107	1		
	CLPIPL	146	145	1		Machine was running on technical minimum
	Essar, Hazira	135	114	21	21	
	GIPCL-I	102	101	1		Machine was running on technical
	GIPCL-II	0		0		
<b>Total Private Sector</b>		<b>3624</b>	<b>2919</b>	<b>705</b>	<b>137</b>	
<b>Total Generation backed down from State &amp; Private generating Stations</b>					<b>683</b>	

32. The above table indicates that in a time span of just 15 minutes (13:00 Hrs. to 13:15 Hrs.), 683 MW backing down effect was attained by the

## Generating Stations.

33. The Appellant further submitted that they requested WRLDC to revise the drawal schedule of the Inter-State Generating Station at 23:20 hours on 29.07.2012 and 01:40 hours on 30.07.2012, *inter-alia* requesting WRLDC to give effect to the revision from 01:45 hours, the schedule can be revised only after 6 times blocks under normal condition and after 4 time blocks under urgent situation as per the grid code regulations.

34. The Appellant sent the first request at 23:20 hours that would be applicable after 4 time blocks i.e., from 00:20 Hrs onwards, the second revision request was sent at 01:40 Hrs. on 30.07.2012 and requested to give effect from 01:45 Hrs, but the revision was implemented from 03:00 Hrs. only, further, argued that had the WRLDC implemented the revision request from 00:20 Hrs. on 30.7.2012, the Appellant could have controlled the underdrawal by 250 MW, the time schedule as revised by the WRLDC after 10 time blocks which is more than the required time even in the normal condition.

35. The Appellant contended that the Appellant also ensured the following:

- a) The wind power plants were treated as “Must Run” before the grid disturbance as per the GERC Tariff Order and the RRF mechanism was not in force, hence, the anticipated availability of wind generation could not be known and the wind generators could not be backed down but after the grid disturbance the Appellant is even curtailing the wind generation to curb under drawal.
- b) The Appellant has made all the efforts to enhance the availability of real time renewable energy injection data so as to monitor the variation of RE generation on a continuous basis and take corrective actions accordingly.

- c) The Appellant had adopted the practice of regulating the conventional generators also quite frequently despite being aware of the fact that such frequent regulation of generation from conventional generators is quite detrimental to the thermal machines.
- d) The Appellant did not even strictly adhere to merit order despatch criteria in order to curb under/over drawal.
- e) Many times on request of SLDC, WRLDC would help the State to curb under drawal/ over drawal by giving scheduling effect as early as possible i.e. from 2nd or 3rd time block especially when there is tripping of large sized unit in control area or tripping of APL Unit No 7, 8 or 9 in which Gujarat State has no share.
- f) Further, the Appellant had taken initiatives to hold State-level Operation Coordination Committee meetings at regular intervals wherein all the representatives of State & Central generating stations and Discerns are invited to have discussions on all grid operation-related matters. In these meetings, all issues of carrying out operation analysis, improving grid performance and resolving various issues pertaining to all the stake holders are discussed.
- g) The Appellant has taken a keen interest in relieving congestion in the network by proposing worthwhile changes in network topology and getting them implemented through the concerned agencies so as to have a secure and reliable grid operation.
- h) The Appellant has also done considerable work for data visualization, maintaining RTU availability and communication links with the control centre 86 RTUs are provided for accessing data of renewable energy generation in real-time which is very much helpful to recognize trends of RE generation and handle its variation.
- i) Many special protection schemes have been placed in service in the form of predefined automated action of either reducing generation or

curtailment of load to meet various contingencies to ensure secure and reliable grid operation all the time.

- j) SLDC has planned to develop WAMS with the help of advanced technology for effective system operation work. Also, SLDC has identified to develop analytics software for system operation work from IIT Bombay as they have worked in this area under their research activity.
- k) The Appellant has initiated the RE desk to accommodate real-time weather data of the State and forecast from various reliable sources/tools and prepare anticipated variation for wind/ solar generation as well as load for same day, next day and for next 7 days with corrective update cycle of at least every 3 hours. It would be helpful for managing EHV equipment outages and regulating the generation.

36. The Appellant's collective efforts have positioned them to effectively control under drawal/over drawal in accordance with WRLDC's directives as per section 29 of the Electricity Act, 2003.

### **Submissions of the Respondent CERC**

37. The CERC submitted that vide its order dated 16.11.2012, it has directed Regional Load Despatch Centres and Regional Power Committees of the regions concerned, PGCIL, and NTPC to submit their responses to the joint findings of POSOCO and the CTU.

38. The WRLDC submitted the schedule and drawal figures as mentioned in the table below in time blocks from 02:00 Hrs.-02:15 Hrs. and 02:15 Hrs.-02:30 Hrs. on 30.07.2012 and from 12:30 Hrs.-12:45 Hrs. and 12:45 Hrs.-13:00 Hrs. on 31.07.2012 as recorded by the Special Energy Meter (SEM).



(In MW)

Control Area	30 July 2012					
	2:00-2:15			2:15-2:30		
	Scheduled Drawal	Actual Drawal	UI	Scheduled Drawal	Actual Drawal	UI
Gujarat	1463	693	-770	1448	611	<b>-838</b>
Madhya Pradesh	1626	1212	-414	1629	1196	<b>-434</b>
Maharashtra	3778	3245	-533	3768	3255	<b>-513</b>
Chhattisgarh	496	288	-208	496	414	-82
Goa	228	220	-8	228	219	-9
Daman & Diu	235	219	-16	235	216	-19
Dadra & Nagar Haveli	589	572	-17	589	570	-19
<b>Total</b>	<b>8415</b>	<b>6449</b>	<b>-1966</b>	<b>8393</b>	<b>6481</b>	<b>-1914</b>
	31 July 2012					
	12:30-12:45 hours			12:45-13:00 Hours		
	Scheduled Drawal	Actual Drawal	UI	Scheduled Drawal	Actual Drawal	UI
Gujarat	2090	1448	-642	2095	1182	<b>-913</b>
Madhya Pradesh	1539	1325	-215	1540	1484	-56
Maharashtra	4286	3597	-689	4280	3510	<b>-770</b>
Chhattisgarh	487	108	-380	487	113	<b>-374</b>
Goa	279	284	5	279	280	1
Daman & Diu	255	223	-31	255	215	-40
Dadra & Nagar Haveli	572	533	-39	572	528	-44
<b>Total</b>	<b>9508</b>	<b>7518</b>	<b>-1991</b>	<b>9508</b>	<b>7312</b>	<b>- 2196</b>

39. The real-time under-drawal data from SCADA system for the Appellants at 02:00 Hrs. and 2:30 Hrs. on 30.07.2012 and 12:45 Hrs. and 12:57 Hrs. on 31.07.2012 is as follows:

State	(In MW)			
	30.7.2012		31.7.2013	
	02:00 hours	02:30 hours	12:45 hours	12:57 hours
Gujarat	-714	-799	-455	-1063
Madhya Pradesh	-808	-876	-28	49
Maharashtra	-472	-517	-447	-698
Chhattisgarh	-232	-104	-438	-373

40. The CERC submitted that they have also relied on the TTC violation messages sent to the NLDC and the state entities in the region in the period of 29.07.2012- 31.07.2012, further, argued that the Appellants were underdrawing the power at the time of grid disturbance and the excess of scheduled drawal over actual drawal was being diverted to the Unscheduled Interchange (UI).

41. The under-drawal by the Western Region constituents was utilized by the Northern Region constituents to over-draw from the grid as the frequency was not low and consequently the UI rate was low which caused congestion on the WR-NR corridor.

42. The Commission vide order dated 22.2.2014 directed for initiation of action under section 142 of the Electricity Act, 2003 against the constituents guilty of noncompliance of the provisions of the Act and Regulations. The relevant extract of the order dated 22.2.2014 is as under:

*“..... 77. In the light of the foregoing discussion, we have come to the conclusion **that there are some violations which are specific to this grid disturbance which need to be addressed here**; other violations relating to UFRs, Telemetry, RGMO and nonsubmission of data are being addressed separately. **Accordingly, we find that***

***the SLDC of Haryana, Uttar Pradesh, Punjab, Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh as well as Powergrid, WRLDC, NRLDC and NTPC have failed to comply with the provisions of the Electricity Act, 2003 and various Regulations of the Commission and CEA as mentioned in the preceding paragraphs. Accordingly, we direct staff of the Commission to process the case for issue of notice in accordance with provisions of Electricity Act, 2003.....”***

43. The Respondent CERC further initiated the proceedings under Petition No.08/SM/2014 and after hearing all the parties concerned and evidencing the report submitted by POCOSO and CTU along with the responses of Power Grid and NTPC on the findings of POCOSO and CTU, passed the impugned order dated 14.12.2015, the relevant portion of the Impugned Order which takes the submissions of the Appellant on record is as follows:

*“....(b) State Load Despatch Centre, Gujarat (SLDC, Gujarat) vide its affidavit dated 14.7.2014 has submitted that according to the notices served under section 29(1) of the Act, it has exercised its powers conferred under section 29(2) of the Act and Part-2 (2.7) of the Grid Code to reduce underdrawl. SLDC, Gujarat has further submitted that it has taken actions to reduce under drawal as per the provisions of Regulations 4.10 and 5.15 of the Grid Code and directions given by GERC in order dated 1.4.2010 in Petition No. 3/2010. SLDC, Gujarat, has further submitted as under: (i) The State level Operation Coordination Committee meetings are held at regular intervals to discuss all issues relating to grid operation. (ii) SLDC has done considerable work for data visualization, maintaining of RTU availability and communication link with control*



centre. (iii) In order to ensure secure and reliable grid operation all the time, special protection schemes have been placed in service in form of predefined automated action either for reducing generation or curtailment of load to meet various contingencies. (iv) After grid disturbances, number of proactive steps have been taken by SLDC Gujarat for safe, secure and reliable operation of the grid such as strengthening defense mechanism like introduction of Automatic Demand Management Scheme, SPS, islanding schemes and black start mock drill, initiation of RE desk, real time information of RE generation data, weather forecasting and load forecasting, development of WAMS from PMU data in Gujarat, SCADA up-gradation with back-up SLDC, RE generation curtailment in case of exigency, changes in network topology, co-ordination with all stakeholders and capacity building, etc.....”

44. The CERC also observed as under:

“10. We have considered the submissions of SLDCs of Gujarat, Maharashtra and Madhya Pradesh. The submissions of SLDC, Gujarat regarding under drawal is similar as made in the Petition No. No.167/SM/2012. The Commission in order dated 20.6.2014 had dealt with the reply of SLDC, Gujarat as under: “It seems that SLDC, Gujarat did not learn lesson from the last night's disturbance. It also shows that system operators were not aware about the aggravated situation. SLDC failed in controlling under drawl in its control area hence failed to comply with RLDC’s directions.

11. During the hearing on 12.2.2015, the representative of SLDC, Gujarat submitted that SLDC, Gujarat is conducting regular State

level OCC meeting to discuss all grid operation related matters, work for data visualization, maintaining RTU availability and communication link with control centre, strengthening defense mechanism like introduction of Automatic Demand Management Scheme, SPS, islanding schemes and black start mock drill, initiation of RE desk, real time information of RE generation data, weather forecasting and load forecasting, development of WAMS from PMU data in Gujarat, SCADA up-gradation with backup SLDC, RE generation curtailment in case of exigency, changes in network topology, co-ordination with all stakeholders and capacity building. We are of the view that these measures taken by SLDC, Gujarat are post grid disturbance measures which are not relevant in the present petition. In our view SLDC, Gujarat has failed to control under drawl in its control area and to comply with the directions of RLDCs issued on 30/31.7.2012.

14. It is noticed that during the month of July, 2012 (2.7.2012 to 29.7.2012), the constituents of Western Region had made huge under drawal and same cannot be said to be unintentional and the deviation in wind energy was not the only reason attributable to such under drawal. The constituents of WR consistently ignored the directions issued by WRLDC which amounts to non-compliance of directions of RLDC and provisions of Regulation 5.4.2(h) of the Grid Code. **WRLDC is responsible to point out specifically the severity of under drawal and to refrain the utilities from under drawing. As per the records available, WRLDC has not discharged its responsibility considering the severity of prevailing system condition.** The underdrawals by the constituents of WR were utilized by the constituents of NR to overdraw from the grid as frequency was not abnormally low and

*UI rate was also low. As per Regulation 6.4.25 of the Grid Code, WRLDC is required to take action on collusion of the constituents of WR and report the matter to WRPC for investigation/action.*

*15. We agree with the contention of SLDC, Gujarat that WRLDC should have revised the schedule suo-motu in the interest of better system operation as provided in the Regulations 6.4.12 and 6.5.20 of the Grid Code. However, SLDC, as apex body in the State, is equally responsible to ensure secure and reliable operation and it should have revised the schedules of its constituents in accordance with the provisions of the State Grid Code and it cannot pass its responsibility on RLDC. In our view, SLDCs of Gujarat, Maharashtra, Madhya Pradesh and Chhattisgarh have failed to discharge their responsibilities by not acting on their own to revise schedule of their constituents and generating stations as per the provisions of State Grid Code as well as under section 29 of the Act.*

*17. It is noticed that system operators at the State as well regional level have failed to visualize the impact of under drawal and overdrawal by the constituents of WR and NR respectively, contributing to skewed flow of power from WR to ER and WR to NR which contributed to factors which ultimately led to the disturbance. As per Regulation 6.5.20 of the Grid Code, RLDC is required to revise schedule in the interest of better system operation. However, despite consistent under drawl by the constituents of WR, WRLDC has failed to revise schedule in terms of Regulation 6.5.20 of the Grid Code. Therefore, it emerges that on 30.7.2012, control areas of Maharashtra, Gujarat and Madhya Pradesh had failed to comply with the provisions of Regulation 6.4.12 of Grid Code and section*

29 of the Act. Similarly on 31.7.2012, the control areas of Gujarat and Maharashtra had failed to comply with the provisions of Regulation 6.4.12 of Grid Code and section 29 of the Act prior to grid disturbances.

30. The Commission vide order dated 22.2.2014 in Petition No. 167/SM/2012 had directed National Power Committee (NPC) to constitute a Task Force consisting of representatives of CEA, and staff of the Commission and others to conduct technical study in regard to Grid Stability covering pre-disturbance scenario, considering each contingency from 23.7.2012 to 31.7.2012, and impact of TTC violation on ER-WR and WR-NR corridors as well as simulation of cascade tripping after tripping of 400 Bina-Gwalior line. As per the Commission's direction, the Task Force conducted detailed power system studies including load flow simulation, ATC/TTC violations, contingency analysis and system dynamics by stability studies for the various grid conditions during the period from 23.7.2012 to 31.7.2012. The Task Force in its report mainly has observed as under:

(a) The system was stable from 23.7.2012 to 26.7.2012. However, there were significant deviations of the actual inter-regional power transfer on the WR-NR and WR-ER corridor from the declared TTC/ATC values.

(b) The situation was critical during the planned shutdown period of 400 kV Gwalior-Agra ckt-I and 400 kV Bina-Gwalior ckt-2 (400 kV Bina-Gwalior-Agra one circuit is in service on 27.7.2012 [1330 hours]). Under these two planned outage conditions, underlying 220 kV network becomes critically loaded in case of tripping of 400 kV Bina-Gwalior ckt-II or 400 kV Agra-Gwalior ckt-I. There were TTC violations of the order of 400 MW each on WR-NR and WRER

corridors from the declared TTC/ATC values. However, the results of the dynamic studies show that system remains stable in case of tripping of 400 kV Bina-Gwalior ckt-II or 400 kV Agra-Gwalior ckt-I.

(c) On 29.7.2012 at 1500 hrs, there was a violation close to 100 MW with respect to declared TTC on WR-NR and 500 MW on WR-ER corridor. The WR-NR declared TTC of 2600 MW and considered only planned outage of one circuit of the 400 kV Bina-Gwalior-Agra section while in actual operation there was heavy depletion on this corridor making the system insecure. The results of the dynamics study for these depleted conditions also indicate that the system was stable even for these depleted conditions as the oscillations damp out within 12-15 seconds. The angular difference between Jabalpur (WR) and Kanpur (NR) increases from 45 degrees to 93 degrees indicating the stress on the system. This was a narrow escape from cascade tripping. The 220 kV Badod-Morak and 220 kV Gwalior (MP)-Gwalior (PG)-2 lines were restored subsequently.

(d) On 30.7.2012 at 02:30 hrs, since there was additional flow on WR-NR corridor of the order of 1100 MW and with tripping of Bina-Gwalior line-I, the system became unstable. However, had there been a reduction of 1000 MW in NR and 1000 MW generation in WR, system could have remained stable. This establishes the need for appropriate system protection schemes (SPS) on critical corridors.

(e) The situation of 31.7.2012 was similar to that of 30.7.2012 in terms of network depletion on the WR-NR corridor.

32. The respondents have submitted that they have performed their duties as per the provisions of the Act and Grid Code for safe and secure functioning of the grid and they are not responsible for the

grid disturbances occurred on 30.7.2012 at 02:30 hrs and 31.7.2012 at 13:00 hrs. However, the respondents have failed to prove that they had complied with the directions of the system operators prior to grid disturbances on 30.7.2012 and 31.7.2012. As per analysis in preceding paras and report of task force, the combined inaction/ non-serious approach created a situation which caused grid disturbance. **We express our displeasure at the conduct of the respondents to ignore the directions of RLDCs and non-compliance of the provisions of the Grid Code, especially in such a matter where grid security is involved.** In our view, there are no mitigating factors which exonerate the respondents from the charges initiated under section 142 of the Act. In our view, the charges against the respondents are proved and accordingly, we impose the following penalty on the respondents under section 142 of the Act for non-compliance of the provisions of the Act and regulations which shall be deposited within one month from the issue of the order:

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**(d) SLDCs of Western Region constituents, namely Gujarat, Maharashtra, and Madhya Pradesh have failed to comply with section 29 of the Act and Regulations 6.4.12 of Grid Code. We impose a penalty of ` one lakh on each SLDC.....”**

45. The CERC submitted that the Appellant failed to comply with the directions of WRLDC and the underdrawal could not be unintentional.

46. The CERC further submitted that the Appellant is a statutory body responsible for carrying out duties outlined in the Electricity Act, according to



the mandatory provisions of subsection (3) of section 33 of the Electricity Act, the Appellant is obligated to follow the directions of the Western Regional Load Despatch Centre (WRLDC), failure to adhere to these directions could result in penalties, as stipulated in subsection (6) of section 29.

47. This subsection imposes penalties on any person who does not comply with the directions issued under sub-section (2) or (3), it is important to note that the Appellant falls under the definition of "person" as outlined in sub-section (49) of section 2 of the Electricity Act, which defines "person" as under:

*“(49) "person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person....”*

48. The Appellant is subject to penalties under section 142 of the Electricity Act, this penalty is imposed due to the violation of specific provisions, namely sub-section (2) of section 29, and subsection (3) of section 33 of the Electricity Act, additionally, the penalty is also attributed to the non-compliance with Regulation 6.4.12 of the Grid Code.

49. The Appellant cannot escape its duty and obligation to adhere to the regulations outlined in the Electricity Act, the Grid Code, or the directives of the WRLDC, solely based on the need for coordination with generating companies and distribution licensees within the State of Gujarat, the Appellant is held accountable for not taking action on the Transmission Constraint Violation messages from WRLDC, which qualify as directives as per subsection (2) of section 29 of the Electricity Act, in a similar vein, the appellant is found to violate Regulation 6.4.12 of the Grid Code.

50. The intent to violate statutory provisions is clearly evident in the circumstances of this case, as the State of Gujarat consistently engaged in the deliberate under-drawal of a substantial amount of electricity, aiming to accrue Underdrawal charges, the Appellant's argument that because of increased agricultural demand it was decided to meet the demand round the clock without load restriction, is self-defeating for the reason that the increased agricultural demand would have reduced the under-drawal.

51. The measures reportedly taken by the Appellant proved insufficient to ease the congestion at WR-NR and WR-ER corridors.

52. The exceptional circumstances that occurred on 30.07.2012, and 31.07.2012, demanded equally exceptional corrective actions from the Appellant and other involved parties to effectively address the situation and safeguard the integrated North-East-West-North East (NEW) grid.

### ***Submissions of the Respondent WRLDC***

53. The Respondent No.2 Western Regional Load Despatch Centre (WRLDC) was impleaded in this case vide IA No. 2518 of 2023.

54. The Respondent WRLDC submitted that they gave clear messages to the Appellants, SLDC to increase their drawal from the grid and adhere to their schedule but the Appellants failed to act accordingly.

55. The Appellant failed to comply with section 29 of the Act and Regulation 6.4.12 of the Grid Code on 30.07.2012 and 31.07.2012.

56. The schedule and drawal figures as mentioned in the table below in time



blocks from 02:00 Hrs.-02:15 Hrs. and 02:15 Hrs.-02:30 Hrs. on 30.07.2012 and from 12:30 Hrs.-12:45 Hrs. and 12:45 Hrs.-13:00 Hrs. on 31.07.2012 as recorded by the Special Energy Meter (SEM) clearly shows the under drawal by the Appellant.

*Table I: Schedule and drawal of Gujarat*

Control Area	30 July					
	02:00-02:15			02:15-		
	Schedule	Drawal	UI	Schedule	Drawal	UI
	MW	MW	MW	MW	MW	MW
GUJARAT	1463.33	693.04	-770.29	1448.396	610.856	-837.54
Control Area	31 July					
	12:30-12:45			12:45-13:00		
	Schedule	Drawal	UI	Schedule	Drawal	UI
	MW	MW	MW	MW	MW	MW
GUJARAT	2090.42	1448.10	-642.32	2094.552	1181.968	-912.584

57. The real-time under-drawal data from the SCADA system for the Appellant at 02:30 Hrs. on 30.07.2012 and 12:57 Hrs. on 31.07.2012 is as follows:

*Table 2: Under Drawal data from SCADA*

State	30 July 2012 at 02:30 Hours	31 July 2012 at 12:57 Hours
Gujarat	714 MW	455 MW

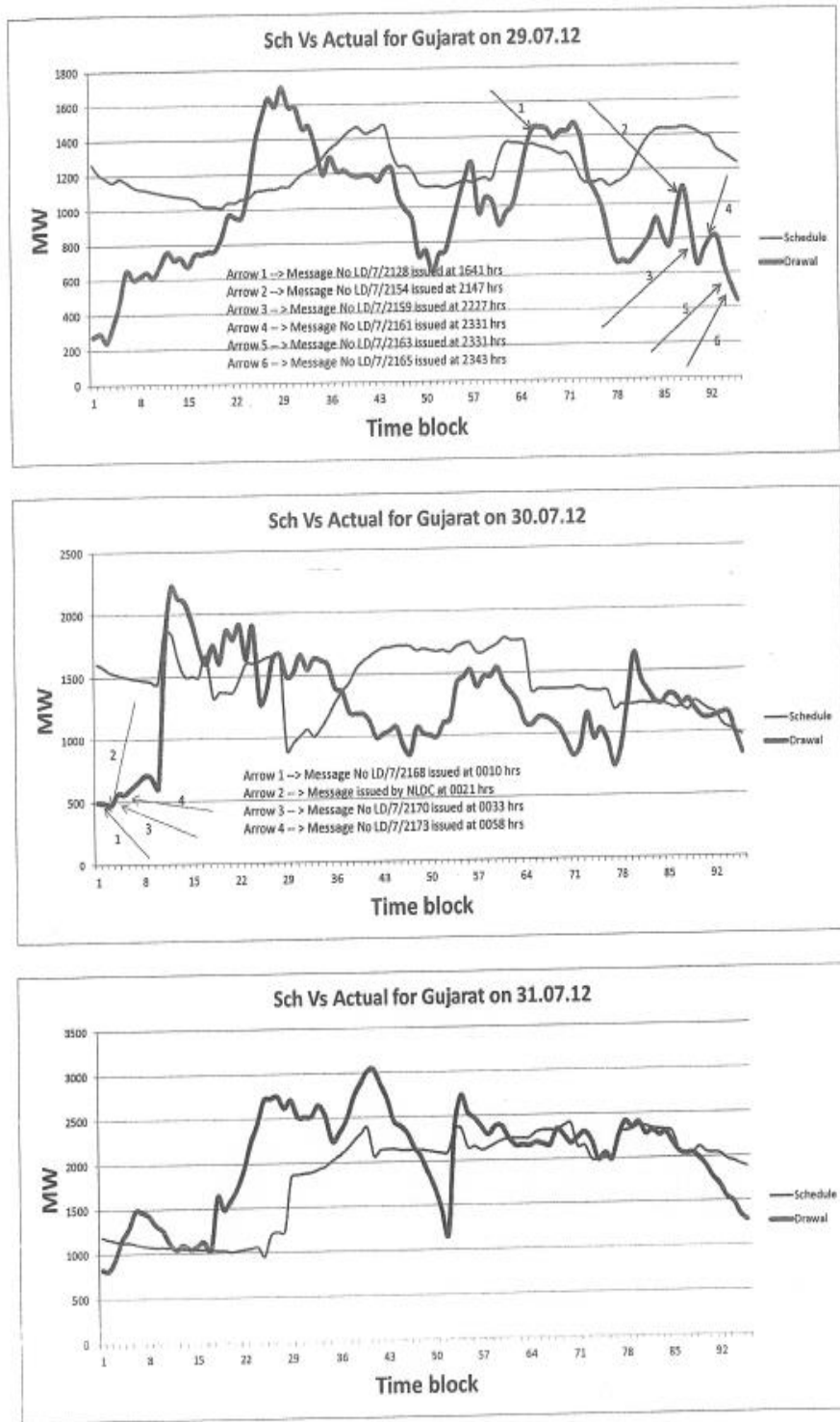
58. The Respondent WRLDC also submitted a table summarizing the messages issued by WRLDC to the Appellant from 29.07.2012 to 31.07.2012 as hereinunder.

**Table 3: Violation messages issued to Gujarat**

Date	Time (hours)	Message Summary	Frequency (Hz)	Under Drawl (MW)	TTC/ Actual Flow (MW)	
					WR-NR	WR-ER
29.07.2012	21:47	TTC Violation	50.33	429	2000/2295	1000/1759
29.07.2012	22:27	TTC Violation	49.75	813	2000/-2634	1000/-2089
29.07.2012	22:50	TTC Violation	49.77	607	2000/2731	1000/2040
29.07.2012	23:31	TTC Violation	49.65	707	2000/-2743	1000/-2190
30.07.2012	00:10	TTC Violation	49.86	1223	2000/2918	1000/2447
30.07.2012	00:33	Critical Line Loadings of Inter Regional Lines	-	1121	-	-
30.07.2012	00:58	TTC Violation	50.16	877	2000/2669	1000/2477
30.07.2012	01:25	TTC Violation	50.02	868	2000/2629	1000/2326
30.07.2012	23:45	Critical Line Loadings of Inter Regional Lines	-	261	-	-

59. Plots of schedule vs. Actual drawal by Gujarat based on SEM data for 29.7.2012 to 31.7.2012 are as per the graph below, and the messages issued by WRLDC to reduce under drawal and time of issuance of messages have been marked on the graphs.

Schedule VS Actual Drawal of GUVNL on 29th, 30th and 31st, July,2012 based on SEM data



**Figure. 1 Schedule vs. Actual drawal by the Gujarat**

60. Non-compliances to various regulations by the Appellant before the Grid-Disturbance on 30.07.2012 and 31.07.2012 are given below.

Table-4: Non-Compliances to various regulations by Gujarat

Clause No.	Clause Details	GUJARAT
IEGC Regulation, 2010		
5.2(f)	All thermal units 200MW & above and hydro units 10 MW & above to be kept in RGMO	NOT COMPLIED
5.2(n)	All SEBS, distribution licensees / STUs shall provide automatic under-frequency and df/dt relays for load shedding in their respective systems, to arrest frequency decline.... All , SEBs, distribution licensees, CTU STUs and SLDCs shall ensure that the above under-frequency and df/dt load shedding/islanding schemes are always functional.	AUFLS not called upon to operate in WR
5.3 (e )	While the demand estimation for operational purposes is to be done on a daily / weekly / monthly basis initially, mechanisms and facilities at SLDCs shall be created at the earliest but not later than 1.1.2011 to facilitate on-line estimation of demand for daily operational use for each 15 minutes block.	NOT COMPLIED
5.4.2 (d)	The SLDC through respective State Electricity Boards/Distribution	NOT COMPLIED

Clause No.	Clause Details	GUJARAT
	Licensees shall also formulate and implement state-of-the-art demand management schemes for automatic demand management like rotational load shedding, demand response etc. before 01.01.2011	
6.4.12	RLDC may direct SLDCs / ISGS / Other regional entities to increase or decrease their drawal / generations in case of contingencies	NOT COMPLIED
Detailed Procedure for Relieving Congestion in Real-Time Operation (approved by CERC vide order dt. 11.06.10)		
4.1	State Load Despatch Centre (SLDC) shall assess the Total Transfer Capability (TTC), Transmission Reliability Margin (TRM) and Available Transfer Capability (ATC) on its inter-State transmission corridor considering the meshed intra State corridors for exchange (import/ export) of power with inter-State Transmission System (ISTS). These figures along with the data considered for assessment of TTC would be forwarded to the respective RLDC for assessment of TTC at the regional level. The details of	NOT COMPLIED

Clause No.	Clause Details	GUJARAT
	anticipated transmission constraints in the intra State system shall also be indicated separately.	
5.1	<b>SLDCs/ RLDCs/ NLDC</b> shall have a display available in their web-sites showing TTC, TRM, ATC declared in advance. Real time power flow in the corridor for which TTC has been declared shall be displayed alongside for comparison. The voltage of the important nodes in the grid downstream/ upstream of the corridor shall also be displayed.	NOT COMPLIED
<b>Provisions of Grid Standards regulation</b>		
12 (1)	Any tripping of generating unit or transmission element, along with relay indications, shall be promptly reported by the respective Entity to the Appropriate Load Despatch Centre in the reporting formats as devised by the Appropriate Load Despatch Centre.	NOT COMPLIED
15 (3)	All operational data, including disturbance recorder and event logger reports, for analysing the grid incidents and grid disturbance and any other data which in its view can	NOT COMPLIED

Clause No.	Clause Details	GUJARAT
	be of help for analysing grid incident or grid disturbance shall be furnished by all the Entities within twenty four hours to the Regional Load Despatch Centre and concerned Regional Power Committee	

61. The Respondent WRLDC also relied upon the Grid Disturbance Report dated 08.08.2012 filed before the CERC in Petition No.167/SM/2012.

### **Our Observations and Conclusion**

62. The Central Commission observed that the Western Region constituents violated various provisions of the Act, the Rules and Regulations framed thereunder, as decided in an order dated 22.02.2014 passed in petition no. 167/SM/2012, accordingly, mentioned as below:

Maharashtra, Gujarat, MP and Chhattisgarh (30.7.2012)	Section 29 of Electricity Act, 2003 and Regulations 6.4.12 of Grid Code
Maharashtra, Gujarat, Chhattisgarh (31.7.2012)	
WRLDC	Regulations 5.7.4 (g) (iv), 6.5.20 and 6.5.27 of Grid Code

63. As per the above table, the Central Commission has concluded that the Appellant has violated provisions of section 29 of the Act and regulation 6.4.12 of IEGC in an order dated 22.02.2014 passed in petition no. 167/SM/2012 and the Impugned Order, consequently, passed in the *Suo-moto* petition 008/SM/2014 imposing penalties on the Appellants based on findings in the order dated 22.02.2014 passed in petition no. 167/SM/2012.

64. The petition 008/SM/2014 was filed (*Suo-moto*) in respect of “**Non-compliance of Section 29 of the Electricity Act, 2003 and Regulations 5.2 (r), 5.4.2 (a) (g) (h) and (i), 6.4.12, 6.5.20, 6.5.27, 5.7.4 (c) (g) (iv) and 4.6.3 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 and Regulation 6 (4) (a) of the Central Electricity Regulatory Commission (Technical Standards for connectivity to the grid) Regulations, 2007 and Regulation 3 (e) of the Central Electricity Authority (Grid Standards) Regulations, 2010.**”

65. As already stated, the findings and decision of the CERC in petition no. 167/SM/2012 is the considered matter in the petition no. 008/SM/2014.

66. There is no dispute that the order dated 22.02.2014, passed in petition no. 167/SM/2012, has not been challenged by any of the contesting parties therein and the said order dated 22.02.2014, thus, has attained finality.

67. Considering that the order dated 22.02.2014 has attained finality, the findings, and the conclusions therein have also attained finality.

68. It is, therefore, important to note the conclusive part of the order dated 22.02.2014, the same is reproduced hereunder:



“76. To sum up, the violations of the regulations of this Commission and the regulations of the CEA which precipitated the grid disturbance on 30.7.2012 and 31.7.2012 are as under:

- (i) The control areas of Haryana, Punjab and Uttar Pradesh (UP) on 30.7.2012 and Haryana, Punjab and Rajasthan on 31.7.2012 persistently overdrew electricity from the Grid with respect to their schedules and failed to comply with the directions of NRLDC and thereby failed to comply with Section 29 of the Electricity Act, 2003 and Regulations 5.4.2 (a), (g), (h) & (i) of Grid Code.
- (ii) In the Western Region, the demand was less than the generation prior to disturbance on 30.7.2012 as well as on 31.7.2012. The control areas of Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh were underdrawing electricity with respect to their schedule. WRLDC kept instructing these control areas to increase their drawal. If the same was not feasible, they could have reduced their own generation, which they did not do. **On 30.7.2012, control areas of Maharashtra, Gujarat, Chhattisgarh and MP failed to comply with Section 29 of the Act and Regulation 6.4.12 of Grid Code. Similarly on 31.7.2012, the control areas of Gujarat, Maharashtra and Chhattisgarh failed to comply with Section 29 of the Electricity Act, 2003 and Regulation 6.4.12 of IEGC prior to Grid disturbances.**
- (iii) WRLDC needed to revise schedule of Inter-State Generating Stations (ISGS)/ other regional generators in the interest of better system operation as per Regulations 6.5.20 and 6.5.27 of Grid Code, which they did not do.

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69. Therefore, the main issue at hand revolves around the fact, that the decision of the CERC that the Appellants have violated section 29 of the Act and Regulation 6.4.12 of the IEGC.

70. In para 76(ii) of the order dated 22.02.2014, the CERC has concluded that the Appellants herein have failed to comply with section 29 of the Act and Regulation 6.4.12 of the Grid Code on 30.07.2012 and again on 31.07.2012, this decision has since attained finality and therefore, is binding for the *inter se parties*.

71. Therefore, the issues of invocation of section 29 of the Act and Regulation 6.4.12 of the Grid Code have been settled in Petition No. 167/SM/2012, and the same cannot be challenged through the captioned appeals, once it is decided and the order dated 22.02.2014 has since not been challenged.

72. The Supreme Court in *Neelima Srivastava vs. The State of Uttar Pradesh & Ors. (Civil Appeal no. 4840 of 2021 arising out of Special Leave Petition (C) no. 18198 of 2018) – (Paragraphs Nos. 9, 30, 34, 35, and 36)* has ruled as under:

*“9. It is pertinent to point out at this stage that the aforesaid common judgment rendered in the two Writ Petitions filed by the appellant attained finality as it was not put to challenge before any higher forum.*

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*30. It becomes absolutely clear from the above clarification that*

*earlier decisions running counter to the principles settled in the decision of Umadevi (3) will not be treated as precedents. It cannot mean that the judgment of a competent Court delivered prior to the decision in Umadevi (3) and which has attained finality and is binding inter se between the parties need not be implemented. Mere over-ruling of the principles, on which the earlier judgment was passed, by a subsequent judgment of higher forum will not have the effect of uprooting the final adjudication between the parties and set it at naught. There is a distinction between over-ruling a principle and reversal of the judgment. The judgment in question itself has to be assailed and got rid of in a manner known to or recognized by law. Mere over-ruling of the principles by a subsequent judgment will not dilute the binding effect of the decision on inter-parties.*

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**34. In *Rupa Ashok Hurra Vs. Ashok Hurra & Anr.*6, while dealing with an identical issue this Court held that reconsideration of the judgment of this Court which has attained finality is not normally permissible. The decision upon a question of law rendered by this Court was conclusive and would bind the Court in subsequent cases. The Court cannot sit in appeal against its own judgment.**

35. In *Union of India & Ors. Vs. Major S.P. Sharma & Ors.*7, a three-judge bench of this Court has held as under:-

*“A decision rendered by a competent court cannot be challenged in collateral proceedings for the reason that if it is permitted to do so*

*there would be "confusion and chaos and the finality of proceedings would cease to have any meaning."*

**36. Thus, it is very well settled that it is not permissible for the parties to re-open the concluded judgments of the Court as the same may not only tantamount to an abuse of the process of the Court but would have far reaching adverse effect on the administration of justice."**

73. Therefore, the only issue in these captioned appeals to be adjudicated is whether the Central Commission is right in imposing the penalty of Rs. one Lakh, the maximum penalty under section 142 of the Act.

74. The Appellants have argued that the CERC while imposing the penalty, has not considered the facts and the documents submitted by the Appellants, however, the submission of the CERC is contrary to it, the CERC submitted that the facts and the documents placed before it was duly considered while passing the order dated 22.02.2014, the relevant extract of the Impugned Order is quoted as under:

***"Analysis:***

*10. We have considered the submissions of SLDCs of Gujarat, Maharashtra and Madhya Pradesh. The submissions of SLDC, Gujarat regarding under drawal is similar as made in the Petition No. No.167/SM/2012. The Commission in order dated 20.6.2014 had dealt with the reply of SLDC, Gujarat as under:*

*"It seems that SLDC, Gujarat did not learn lesson from the last night's disturbance. It also shows that system operators were not aware about*

*the aggravated situation. SLDC failed in controlling under drawl in its control area hence failed to comply with RLDC"s directions."*

*11. During the hearing on 12.2.2015, the representative of SLDC, Gujarat submitted that SLDC, Gujarat is conducting regular State level OCC meeting to discuss all grid operation related matters, work for data visualization, maintaining RTU availability and communication link with control centre, strengthening defense mechanism like introduction of Automatic Demand Management Scheme, SPS, islanding schemes and black start mock drill, initiation of RE desk, real time information of RE generation data, weather forecasting and load forecasting, development of WAMS from PMU data in Gujarat, SCADA up-gradation with backup SLDC, RE generation curtailment in case of exigency, changes in network topology, co-ordination with all stakeholders and capacity building. We are of the view that these measures taken by SLDC, Gujarat are post grid disturbance measures which are not relevant in the present petition. In our view SLDC, Gujarat has failed to control under drawl in its control area and to comply with the directions of RLDCs issued on 30/31.7.2012.*

*12. It is noticed that there was continuous under drawal by the control area of Maharashtra during the night of 29/30.7.2012. According to SLDC, Maharashtra, since there was no real time visibility of wind injection, the efforts of system operator to reduce State generation were partly eaten away by wind injection. SLDC, Maharashtra has contended that all the thermal generating units were running at the technical minimum level and the practice of withdrawal of thermal unit is generally not adopted. Therefore, they*

*take more time to synchronize. It appears that SLDC was more worried about catering to demand for the next day instead of prevailing over loading of flow gates and violation of TTC reported in the messages. During the real time operation, RLDC and SLDCs should have considered grid security as top priority. However, SLDC, Maharashtra has failed to give requisite priority to grid security and to comply with the directions of RLDC issued under Section 29 of the Act and Regulation 6.4.12 of the Grid Code.*

*13. It is noticed that SLDC, Madhya Pradesh violated the notices issued by WRLDC to MPSEB indicating TTC of WR-NR and WR-ER. On 29.7.2012, the under drawl of control area of MP kept increasing from 190 MW at 21:47 hours to 392 MW at 23:43 hours and further to 614 MW at 00:58 hrs. On 30.7.2012 at 01:25 hours, the under drawal was 449 MW. Therefore, the control area of MP was consistently under drawing and UI receivable was in the range of ` 8 to ` 19 crore per week for the month of July, 2012. Despite direction of WRLDC to control under drawal, SLDC, Madhya Pradesh intentionally was under drawing the power to earn the money through UI and jeopardized grid security. SLDC, Madhya Pradesh did not comply with the directions of RLDC issued under Section 29 of the Act and Regulation 6.4.12 of the Grid Code on 30.7.2012.”*

75. The RLDC has been declared as the apex body for ensuring the integrated operation of the power system in the concerned region as per subsection (1) of section 28 of the Act, the functions of RLDC are defined under subsection (3) of section 28 of the Act which can be summarized as follows:

- a) Optimum scheduling and dispatch of electricity within the region;
- b) Monitoring grid operation;
- c) Keeping accounts of the quantity of electricity transmitted through the regional grid;
- d) Exercising supervision and control over the inter-state transmission system; and
- e) Being responsible for carrying out real-time operations for grid control and dispatch of electricity within the region through the secure and economic operation of the regional grid in accordance with the Grid standards and Grid Code.

76. The SLDCs on similar lines act as the apex body in the concerned State and are responsible for the integrated operation of the power system in the State as mandated by subsection (1) of section 32 of the Act.

77. The section 33 is also reproduced below:

***“33. (Compliance of directions): --- (1) The State Load Despatch Centre in a State may give such directions and exercise such supervision and control as may be required for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in that State.***

*(2) Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the State Load Despatch Centre under sub-section (1).*

*(3) The State Load Despatch Centre shall comply with the directions of the Regional Load Despatch Centre.*



*(4) If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State grid or in relation to any direction given under sub-section (1), it shall be referred to the State Commission for decision: Provided that pending the decision of the State Commission, the directions of the State Load Despatch Centre shall be complied with by the licensee or generating company.*

*(5) If any licensee, generating company or any other person fails to comply with the directions issued under sub-section (1), he shall be liable to a penalty not exceeding rupees five lacs. ...”*

78. Therefore, any failure on the part of the WRLDC cannot be taken as a defense by the SLDC for non-compliance with its statutory duties, even the intimation by the WRLDC should have been considered by the SLDC to ensure actions for safeguarding and securing the grid, any deviations from the schedules should have been avoided, the intimation by the WRLDC regarding the TTC violations should have been acted upon.

79. Subsection (5) of section 29 of the Act provides that any dispute regarding, safe, secure, and integrated operation of the grid or non-compliance of the directions issued by RLDC is to be adjudicated by the Central Commission, however, during the pendency of the decision, all concerned are obligated to comply with the directions of the RLDC.

80. In case of non-compliance with the directions of RLDC by a licensee, generating company or any other person, then such licensee, generating company, or other person is liable for a penalty not exceeding Rs. fifteen lakhs as mentioned under subsection (6) of section 29 of the Act.

81. The imposition of penalty under section 142 of the Act is much lower as compared to the mandate under section 29(6) of the Act.

82. It cannot be disputed that there was an utter failure on the part of system operators, not only at the State level but also at the regional and central levels, as also concluded by the CERC, the grid failure occurred because of the cascading impact of such violations by the state Utilities and inefficient supervisory control by the system operators, resulting into the grid failures.

83. The system security should have the utmost priority for the state system operators including the Appellant, they cannot evade the statutory duty by passing the responsibility on the WRLDC, as also observed by the Central Commission in the Impugned Order - “***During the real time operation, RLDC and SLDCs should have considered grid security as top priority***”.

84. The observation of the Central Commission that “The constituents of WR consistently ignored the directions issued by WRLDC which amounts to non-compliance of directions of RLDC and provisions of Regulation 5.4.2(h) of the Grid Code.”, cannot be disputed by way of challenging the Impugned Order dated 14.12.2015 as the same is the ***inter se parties***’ decision rendered in the order dated 22.02.2014 passed in petition no. 167/SM/2012, which has not been challenged.

85. We agree with the CERC that “*WRLDC is responsible to point out specifically the severity of under drawal and to refrain the utilities from under drawing. As per the records available, WRLDC has not discharged its responsibility considering the severity of prevailing system condition.*”

86. We make it very clear that the Appellant was equally responsible for the

failure on its part to ignore the intimations given by the WRLDC in the form of TTC violation notices and in turn putting the grid security at risk.

87. After perusal of the submissions mentioned hereinabove, the events that occurred on the night of 30.07.2012 and 31.07.2012 which led to the collapse of the Grid were very substantial and have already caused irreparable damage that cannot be reversed.

88. Any penalty, specifically the penalty which has been imposed, as per the law, may not be enough but will act as a deterrent to the statutory bodies/utilities responsible for such failures.

89. We also agree with the Central Commission that there were continuous schedule deviations by the Appellant, before the occurrence of the grid disturbance, and such deviation might have led to grid disturbance in addition to non-compliance by other State entities in addition to other factors.

90. It is also noted that there is a failure on the part of WRLDC to issue clear directions immediately after noticing such deviations, however, the WRLDC has failed in its act resulting in schedule violations by the States to their benefit as noted in the Impugned Order.

91. Also, the Appellant requested the WRLDC to revise the schedule of the Inter-state generating stations, however, the WRLDC failed to respond in a time-bound manner to the request, and we find, that there was no coordination among the system controllers.

92. Such an act is a joint failure, on the part, of the Grid Operators.

93. The underdrawal or overdrawal by the State Utilities is allowed as per the deviation settlement regulations, it certainly cannot be said to be a violation so far it is within the permissible limits or not affecting the security of the grid, however, any direction or intimation, may be in the form of request, to this effect by the system operators has to be complied with by the State Utilities, it was the statutory duty of the Central/ Regional/ State level system operators to ensure that such drawal had not affected the grid security.

94. The Central Commission “noticed that during July 2012 (2.7.2012 to 29.7.2012), the constituents of Western Region had made huge under drawal and same cannot be said to be unintentional and the deviation in wind energy was not the only reason attributable to such under drawal.”, however, we find that the WRLDC and SLDCs have ignored all such continuous violations to the IEGC, except that some intimations notices in the form of TTC violations were issued and, the Appellant also allowed its constituents to continue such act.

95. The Central Commission also recorded that *“the underdrawal by WR constituents were utilized by the constituents of NR to overdraw from the grid as frequency was not abnormally low and UI rate was also low. As per Regulation 6.4.25 of the Grid Code, WRLDC is required to take action on collusion of the constituents of WR and report the matter to WRPC for investigation/action.”*

96. We are satisfied that the Central Commission has considered all aspects and only thereafter, has imposed the penalty after a prudent analysis.

97. The Central Commission vide order dated 22.2.2014 directed for initiation of action under section 142 of the Electricity Act, 2003, which has attained finality, except the amount of the penalty, observing as under:

*“Accordingly, we find that the SLDC of Haryana, Uttar Pradesh, Punjab, Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh as well as Powergrid, WRLDC, NRLDC and NTPC have failed to comply with the provisions of the Electricity Act, 2003 and various Regulations of the Commission and CEA”*

98. The imposition of penalties under section 142 of the Act should not be a matter of generalization, devoid of a specific and detailed consideration of the Appellant's case, section 142 of the Act is reproduced hereunder for clarity:

*“142. In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any provisions of this Act or rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction.”*

99. It, thus, can be seen that the Central Commission, if satisfied, that any person has contravened any provision of the Act or the Rules or Regulations made thereunder or any direction issued under the Act, can after giving an opportunity to the person for hearing, may impose a penalty under this section.

100. We are satisfied that the Central Commission, after observing, violations of the provisions of the Act and giving ample opportunity to the Appellant has imposed the penalty under this section, additionally, the Central Commission has while imposing a penalty due to non-compliance with directions issued under section 29 has relied upon the decision taken vide order dated 22.02.2014, which has not been challenged.

101. We agree that the circumstances leading to the potential penalty require a careful examination of the Appellant's actions, considering their efforts to prevent the incident rather than merely focusing on the outcome.

102. Any punitive measures should be applied judiciously, taking into account the Appellant's commitment to grid stability and the unforeseen challenges that may have contributed to the situation.

103. Failure to appreciate the Appellant's diligent and preventative measures would undermine the fairness of legal proceedings and potentially overlook the broader context surrounding the alleged offense. It is imperative to consider the specifics of the case and evaluate the Appellant's conduct in a nuanced manner before imposing any penalties.

104. The Supreme Court in the case of ***Hindustan Steel Ltd. v. The State of Orissa (AIR 1970 SC 253)*** has held that a penalty should not be imposed unless the party intentionally violated the law, engaged in contumacious or dishonest conduct, or knowingly disregarded its obligations, furthermore, the imposition of a penalty should not be solely based on legality, it requires the authority's discretionary, judicial consideration of all relevant circumstances, even if a minimum penalty is specified, the authority can justify not imposing it

in cases of minor or technical breaches or when the violation arise from a genuine belief that the statutory requirements do not apply to the offender, the relevant extract of the judgment is reproduced below:

*“....penalty will not ordinarily be imposed unless the party obliged either acted deliberately in defiance of law or was guilty of conduct contumacious or dishonest, or acted in conscious disregard of its obligation. Penalty will not also be imposed merely because it is lawful to do so. Whether penalty should be imposed for failure to perform a statutory obligation is a matter of discretion of the authority to be exercised judicially and on a consideration of all the relevant circumstances. Even if a minimum penalty is prescribed, the authority competent to impose the penalty will be justified in refusing to impose penalty, when there is a technical or venial breach of the provisions of the Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the statute. ....”*

105. In the present case, it is beyond doubt that the WR Constituents were continuously engaged in the underdrawal of the power as against their schedule, which has been regularly ignored by the system operators, the Appellants, resulting in the grid failure.

106. Such an act cannot be said to be unintentional, also observed by the CERC.

107. Furthermore, in the case of *Akbar Badrudin Jiwani vs. Collector Of Customs, Bombay, 1990 AIR 1579 1990 SCR (1) 369*, it was held that for



imposing penalty the requisite of mens rea has to be established:

*“...We refer in this connection the decision in Merck Spares v. Collector of Central Excise & Customs, New Delhi, [1983] ELT 1261; Shama Engine Valves Ltd. Bombay v. Collector of Customs, Bombay,[1984] 18 ELT 533 and Madhusudan Gordhandas & Co. v. Collector of Customs, Bombay, [1987] 29 ELT 904 wherein it has been held that in imposing penalty the requisite mens rea has to be established. It has also been observed in Hindustan Steel Ltd. v. State of Orissa, [1970]1 SCR 753 by this Court that: "The discretion to impose a penalty must be exercised judicially. A penalty will ordinarily be imposed in cases where the party acts deliberately in defiance of law, or is guilty of contumacious or dishonest conduct, or acts in conscious disregard of its obligation; but not, in cases where there is a technical or venial breach of the provisions of the Act or where the breach flows from a bona fide belief that the offender is not liable to act in the manner prescribed by the statute. ...”*

108. The Central Commission, after careful examination and scrutiny of material and the reports of the statutory authorities, passed the order dated 22.02.2014 and only after, giving further, the opportunity to the Appellants impose the penalty judiciously.

109. The Appellant's actions indicate their deliberate intent to underdrawal causing the grid failure on 30.07.2012 and 31.07.2012, the actions described above of the Appellant, indicate that the Appellants have failed in their duties and have not acted diligently, thus failing in the performance of the statutory duties assigned to them.

110. We are satisfied that the Central Commission has acted judiciously in imposing the penalty based on the decision taken vide order dated 22.02.2014, at this stage we cannot reopen the issue of whether there is any non-compliance by the Appellants with the directions issued under section 29, as

the WRLDC failed to provide any documentary evidence confirming the directions issued under section 29 except the notices/ routine intimation regarding the TTA violations, the decision of the non-compliance of directions issued under section 29 has already attained finality, as already observed in the preceding paras.

111. The issue at hand is of grave concern for all, the two grid failures in succession have resulted in an enormous loss to the nation, undisputedly, the RLDCs and the SLDCs have acted in a manner that needs to be condemned, the CERC in the Impugned Order has noted as under:

*“32. -----As per analysis in preceding paras and report of task force, the combined inaction/ non-serious approach created a situation which caused grid disturbance. ----- In our view, there are no mitigating factors which exonerate the respondents from the charges initiated under section 142 of the Act.”*

112. It is beyond doubt that there was continuous underdrawal by the WR constituents during the month of July 2012, and neither the WRLDC nor the SLDC of the concerned States was ensuring that such a huge underdrawal be restricted, no directions were issued by either of the two.

113. The Central Commission observed that:

*“10. We have considered the submissions of SLDCs of Gujarat, Maharashtra and Madhya Pradesh. The submissions of SLDC, Gujarat regarding under drawal is similar as made in the Petition No. No.167/SM/2012. The Commission in order dated 20.6.2014 had dealt with the reply of SLDC, Gujarat as under:*

*“It seems that SLDC, Gujarat did not learn lesson from the*

*last night's disturbance. It also shows that system operators were not aware about the aggravated situation. SLDC failed in controlling under drawl in its control area hence failed to comply with RLDC"s directions."*

11. ----- *In our view SLDC, Gujarat has failed to control under drawl in its control area and to comply with the directions of RLDCs issued on 30/31.7.2012.*

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14. *It is noticed that during the month of July, 2012 (2.7.2012 to 29.7.2012), the constituents of Western Region had made huge under drawal and same cannot be said to be unintentional and the deviation in wind energy was not the only reason attributable to such under drawal. The constituents of WR consistently ignored the directions issued by WRLDC which amounts to non-compliance of directions of RLDC and provisions of Regulation 5.4.2(h) of the Grid Code. **WRLDC is responsible to point out specifically the severity of under drawal and to refrain the utilities from under drawing. As per the records available, WRLDC has not discharged its responsibility considering the severity of prevailing system condition.** The underdrawals by the constituents of WR were utilized by the constituents of NR to overdraw from the grid as frequency was not abnormally low and UI rate was also low. **As per Regulation 6.4.25 of the Grid Code, WRLDC is required to take action on collusion of the constituents of WR and report the matter to WRPC for investigation/action.***

15. *We agree with the contention of SLDC, Gujarat that WRLDC should have revised the schedule suo-motu in the interest of better system operation as provided in the Regulations 6.4.12*

**and 6.5.20 of the Grid Code.** However, SLDC, as apex body in the State, is equally responsible to ensure secure and reliable operation and it should have revised the schedules of its constituents in accordance with the provisions of the State Grid Code and it cannot pass its responsibility on RLDC. In our view, SLDCs of Gujarat, Maharashtra, Madhya Pradesh and Chhattisgarh have failed to discharge their responsibilities by not acting on their own to revise schedule of their constituents and generating stations as per the provisions of State Grid Code as well as under section 29 of the Act.

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17. It is noticed that system operators at the State as well regional level have failed to visualize the impact of under drawal and overdrawal by the constituents of WR and NR respectively, contributing to skewed flow of power from WR to ER and WR to NR which contributed to factors which ultimately led to the disturbance. As per Regulation 6.5.20 of the Grid Code, RLDC is required to revise schedule in the interest of better system operation. However, despite consistent under drawl by the constituents of WR, WRLDC has failed to revise schedule in terms of Regulation 6.5.20 of the Grid Code. Therefore, it emerges that on 30.7.2012, control areas of Maharashtra, Gujarat and Madhya Pradesh had failed to comply with the provisions of Regulation 6.4.12 of Grid Code and Section 29 of the Act. Similarly on 31.7.2012, the control areas of Gujarat and Maharashtra had failed to comply with the provisions of Regulation 6.4.12 of Grid Code and Section 29 of the Act prior to grid disturbances.

114. From, the above we are satisfied that the WRLDC and the SLDCs of the

Western Region have acted in a manner that is nothing but in gross violation of the provisions of the IEGC and the statutory duty assigned to them, their actions in continuously allowing huge underdrawal by the state entities have resulted into the grid failures as recorded by the Central Commission based on the reports of the task force.

115. In case strict measures are not taken, such incidences shall continue to happen, therefore, we find it just and reasonable to uphold the decision of the CERC, *inter-alia*, and the penalty imposed on the Appellants is upheld, all the four captioned appeals are found to be devoid of merit.

### **ORDER**

In the light of above the captioned appeals i.e. Appeal No. 41 of 2016, Appeal No. 122 of 2016, Appeal No. 73 of 2016, and Appeal No. 54 of 2016 are dismissed as devoid of merit, the Impugned Order dated 14.12.2015 passed by the CERC is upheld.

Any other IAs, if pending, are also disposed of accordingly.

**PRONOUNCED IN THE OPEN COURT ON THIS 23<sup>rd</sup> DAY OF AUGUST, 2024.**

**(Virender Bhat)  
Judicial Member**

**(Sandesh Kumar Sharma)  
Technical Member**

**REPORTABLE / ~~NON-REPORTABLE~~**

pr/mkj