



No.FU-22/2023-FSC
Government of India
(भारत सरकार)
Ministry of Power
(विद्युत मंत्रालय)

नई दिल्ली, २२ अप्रैल, २०२४
New Delhi, 22nd April, 2024

To,

1. All Additional Chief Secretaries / Principal Secretaries of Power / Energy
2. CMDs of all GENCOs

Subject: Clarification regarding Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid-regarding.

Sir/Madam,

It has been observed that some power generators are not offering the un-requisitioned surplus power (after meeting the requirement of the medium/long term procurer) in the power market, thus resulting in unused power capacity at national level.

2. As per the Tariff Policy, 2016 power stations are required to be available and ready to dispatch at all times. For optimum utilization of un-requisitioned generation capacity of any generating station regulated under section 62 as well as those having PPA under section 63 of the Electricity Act, 2003 the generators have been permitted to sell power in the power market in consonance with the laid down policy of the Central Government.

3. In accordance with the provisions of Tariff Policy, 2016, Ministry of Power vide letter no. 23/16/2021-R&R dated 8th October, 2021 issued Guidelines for operationalizing optimum utilization of generating stations as per the requirement in the Electricity Grid.

4. Section 9(5) of the Electricity (Late Payment Surcharge and Related Matters) Rules of 2022, later amended in 2024 also provides for sale of surplus power which is within the declared generation capacity but not requisitioned by distribution companies.

5. Ministry of Power has received representations from power utilities highlighting that existing Fuel Supply Agreement FSA (through LoA route) as well as under SHAKTI B (ii) for IPPs do not allow usage of linkage coal for any other purpose other than to meet the long term PPA obligations with the DISCOMs.

6. It is to clarify that in accordance with the provisions of Tariff Policy, 2016 and Electricity (Late Payment Surcharge and Related Matters) Rules, as amended from time to time, allows generating company, including the generating company having long term coal

linkage under FSA with coal companies, to offer the un-requisitioned surplus power in the power market.

Yours faithfully,


(Subhash Chand/सुभाष चंद)

Under Secretary to the Government of India

अवर सचिव, भारत सरकार

Ph./फोन: 23356938

Email: s.chand72@gov.in

Copy to:

1. The Chairperson, CEA
2. Additional Secretary (CPD), Ministry of Coal
3. Secretary, CERC / FOR, New Delhi
4. All State Electricity Regulatory Commissions

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2. APS to Hon'ble MoS for Power & HI
3. Sr. PPS to Secretary (Power).
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5. All Directors / Deputy Secretaries, MoP
6. NIC with the request to upload the same on MoP website