EXPLANATORY MEMORANDUM

The National Electricity Policy (NEP) envisages implementation of the Availability Based Tariff (ABT) at State level to establish a credible settlement mechanism for Intra-day power transfers among Intra-State Entities. As per the Tariff Policy, this framework should be extended to generating stations (including Grid connected Captive Plants of capacities as determined by the State Electricity Regulatory Commission).

The Commission had earlier notified the Chhattisgarh State Electricity Regulatory Commission (Intra-State Availability Based Tariff and Deviation Settlement) Regulations, 2016 in line with the and Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters), Regulations, 2014 to give effect to the intentions of Section 5.7.1(b) and (d) of the National Electricity Policy as well as section 6.2(1) and 6.3 of the Tariff Policy.

However, Central Electricity Regulatory Commission (CERC) has subsequently notified CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 and CERC (Deviation Settlement Mechanism and Related Matters) (First Amendment) Regulations, 2024 wherein the commercial principles for deviation by seller and buyer have been revised in light of various developments and the emerging market realities. Therefore, it is felt that there is a requirement to align the existing state deviation settlement regulations i.e. CSERC (Intra-State Availability Based Tariff and Deviation Settlement) Regulations, 2016 with the central regulations in order to ensure appropriate recovery from the state participants.

Keeping in view the changes in the framework and methodologies adopted by the Central Commission for inter-state deviations, it has become necessary to amend/modify the existing DSM Regulations at the intra-state level. Accordingly, the Commission has prepared the CSERC (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2025 which shall be applicable in case of intra-state deviations by the Buyers and Sellers within the state of Chhattisgarh.