

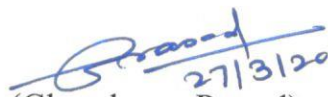
No. 23/22/2019-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan,
Rafi Marg, New Delhi,
27th March, 2020

ORDER

Subject: MOP Order dated 28.06.2019 regarding opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees - Reg

1. An order no 23/22/2019-R&R dated 28th June 2019, was issued by this Ministry whereby directions were given to load dispatch centres to ensure establishment of adequate payment security mechanism as per contract before despatch of power. Subsequent clarifications and addendum of the above order were also issued from time to time. It was also directed that such entities which do not maintain adequate security mechanism as per contract shall not be allowed to procure power from the power exchange and shall not be granted short term open access.
2. Restrictions have been placed on movement of public and opening of offices and establishments etc by the State governments and vide order dated 24.03.2020 of Ministry of Home Affairs, Government of India to contain the spread of the COVID-19 pandemic in the country. Due to this, many consumers of the discoms are unable to pay their dues. This has critically affected the liquidity position of the discoms thereby impairing their ability to make timely payments to generating and transmission companies and maintaining Letter of Credit.
3. Considering the unprecedented and force majeure situation, it has been decided that power may be scheduled even if payment security mechanism is established for 50% of the amount for which payment security mechanism is to be otherwise established contractually. This order shall be in effect till 30.06.2020.
4. This issues with the approval of Minister of State (I/C) for Power and NRE.


27/3/2020
(Ghanshyam Prasad)
Chief Engineer (RR & OM)
Ministry of Power

To:

1. CMD, POSOCO / Heads of NLDC & RLDCs
2. Principal Secretary/Secretary (Power/Energy), State Governments/UTs — For necessary communication to Discoms/ SLDCs
3. All Generating Companies
4. All Distribution Companies
5. Secretaries of All State Electricity Regulatory Commissions(SERCs)/JERCs.

Copy to:

1. Chairperson, CEA, SewaBhawan, RK Puram, New., Delhi
2. Secretary, CERC/FOR, Chandralok Building, Janpath, New Delhi

Copy also for information to:

1. All Joint Secretaries, Ministry of Power
2. PS to MOS (I/C) for Power and NRE
3. PPS to Secy(P), PPS to AS(SM), PPS to AS(SKGR)