

**Oral Hearing
Before the Hon'ble
Central Electricity Regulatory Commission on
'Draft Regulations on Terms and Conditions of Tariff
for the period 2014-19'**

**15th and 16th January 2014
New Delhi**

Submission on behalf of all the RLDCs and NLDC

by

Power System Operation Corporation

Expectations from the Tariff Regulations

- Complementing reliability of the bulk electric power system
- Achieving economy and efficiency
- Avoiding Market Distortion.
- Ease of understanding and implementation

Terms and conditions of tariff

- Welcome New provisions in the draft Regulations which would facilitate secure and stable operation
 - COD linked to:
 - Testing and trial run
 - Certificate from designated authority
 - Normative availability in the following month
 - FGMO
 - Telemetry
 - Transmission: Any date instead of beginning of month
 - Removal of Linkage of schedule to DC in case of fuel shortage [21(4)]
 - New incentive formula based on scheduled PLF

Terms and conditions of tariff - suggestions

- Fixed charge recovery of existing generating stations / transmission system (as applicable) may also be linked to
 - FGMO
 - VAR drawl / absorption as per grid requirement within capability curve
 - Black-start facility
 - Operate synchronous condenser facility, whenever required as per Grid Connectivity Standards
 - Ramping up/down whenever required
 - Telemetry
 - Facilitation of System Protection Scheme
- Would induce generators to respond to grid reliability requirements and thus facilitate enforcement of IEGC provisions
- DC shall be less than or equal to $(IC - \text{Aux. cons.})$, keeping provision for 5% margin for FGMO

Terms and conditions of tariff – suggestions for transmission

- Dependability shall also be captured for recovery of fixed charges, as availability is necessary, but not sufficient condition
- Suggestion:
 - Availability target for full fixed charge recovery may be reduced to encourage proper maintenance
 - Number of tripping per annum may also be factored – each tripping above a value decided by CERC may lead to reduction of Availability, say 12 hours
- Fixed Series Capacitors (FSCs) and Thyristor Controlled Series Capacitors (TCSC) might be considered as a separate asset pool, like SVCs
- Treatment of availability of Line reactor as part of Transmission line

Terms and conditions of tariff – suggestions for transmission

Contd..

- Treatment for estimation of Availability –
 - when different transmission licensees are associated for bays & lines
 - Availability of switchyard equipment of Generating stations shall also be considered for recovery of fixed charges for gen. stations

Terms and conditions of tariff – suggestions on thermal generation

- With increase in generation capacity, period of part load operation going up
- Renewable generation to be accommodated
- Two shifting operation / reserve shutdown would be necessary
- Suggestion:
 - To support the part load operation / two shifting by thermal generators, provision for separate Heat rate and secondary oil consumption norms may be made
 - Technical minimum for different types of units may be specified to avoid operational difficulties

Terms and conditions of tariff – suggestions on thermal generation Contd..

Target availability

- Seasonal target availability need to be factored
 - Would encourage better planning of maintenance schedules and better reliability of the power system
 - Different for different plants

Thank you