

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. RP/006/2014**

Subject : Review Petition under clause 12 (Power to Relax) on Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 effective from 17.2.2014.

Date of hearing : 22.4.2014

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.K.Singhal, Member

Petitioner : Tripura State Electricity Corporation Limited, Banamalipur

Respondents : NERLDC, NLDC and NERPC

Parties present : Shri Mahananda Debbarma, TSECL  
Shri Bebabrata Pal, TSECL  
Shri K.K. Agrawal, MPPMCL  
Shri T.S. Singh, NERLDC  
Shri S.S. Barpanda, NLDC

**Record of Proceedings**

The representative of the petitioner referred to reply of NLDC and submitted as under:

(a) NLDC has placed on record the graph for Schedule vs Drawal under normal situation. Under normal situation, there is no problem with DSM. However, TSECL has filed the present petition for 'Removal of difficulty against contingency'. It appears from the submission of NLDC that it agreed for relaxation of deviation from 12% or 150 MW to 12% of 150 MW. However, one issue is till alive .i.e overdrawal during contingency which is beyond the control of the utilities.

(b) NLDC has not accepted the submission of the petitioner for relaxation of deviation charges during contingency situation. Contingencies may arise due to generation, transmission and distribution failures.

(c) Under DSM, utility has to pay additional charges for overdrawal due to contingency arising out of failure of generator. During such situation, utilities are paying fixed charges for generator, normal DSM charges to meet the contingency and additional DSM charges. Utilities are penalized with these

charges without any fault. Accordingly, additional DSM charges should not be levied on utilities as they are not the defaulters for failure of generation.

(d) If removal of additional deviation charge is considered, justice will be done to the utilities and to the consumers and about ₹100 crore of consumers throughout the country will be benefitted.

(e) With regard to contingency due to transmission failure and distribution failure, utilities are paying some cost for buying power from generators or through open access. However, if the utility is unable to draw the power or sell the power either due to transmission failure or distribution system failure it is also penalized in the form of zero penalty for injection and for over and above it has to pay additional charges of ₹ 1.78/kWh. These are the root cause of high tariffs to the consumers.

(f) The interest of the consumers as well as the utilities need to be safeguarded in line with the objectives of the Electricity Act, 2003.

(g) Another issue is that the generators, with flexibility of 1 hour notice, contingency may be allowed, but for their planned maintenance work during a day of operation, generators are safe by giving 1 hour notice, before taking the shut down, but utility is unable to arrange power within 1 hour. If the shutdown is taken at 1.00 O' clock, utility has to wait till 10 O' clock in the next morning when the market opens and the actual trading takes place at 2.00 O' clock i.e. after 4 hours from the opening of market. Thus, utility has to wait about 12-13 hours before getting power through Power Exchange. To make DSM successful, continuous trading should be available through market. If Pallatana goes out, they are paying about ₹1.00 crore towards DSM charges in a day.

2. The representative of the petitioner further submitted that TSECL also appreciate the DSM and the following directives may be issued by the Commission for successful operation of DSM:

- (i) Implementation of full Requisition based Drawal Schedule.
- (ii) Technical limits of the generators.
- (iii) Requisition based generation of Hydro Power.
- (iv) Relaxation of DSM limit.
- (v) Removal of additional DSM charges for over drawal and penalty for under drawal during contingencies.
- (vi) Continuous trading with 1 hour notice .
- (vii) Separate accounting for DSM charges for un-requisitioned and merchant power by the generators.
- (viii) No revision from day ahead entitlement/DC for planned maintenance work by generators.

3. The representative of NLDC submitted that after implementation of DSM w.e.f. 17.2.2014, improvement in frequency profile has been observed and average frequency of the day remains close to 50 Hz. Frequency variation index remained below 0.1 for about 61% of the time. Further, most of the regional entities are maintaining drawal close to the schedule.

4. With reference to the specific issues raised by the petitioner during contingency, the representative of NLDC submitted as under:

(a) TSECL has raised issue of contingency during tripping of a unit like Pallatana. It is true that if Pallatana Gas Based Station (GBS) trips it causes large deviation for Tripura as it has substantial share in Pallatana GBS. In such a situation, there are different possibilities, one is that Tripura can at least partly sell under bi-lateral transactions, instead of entire sale being through Power Exchange then naturally it cannot be revised.

(b) Under bi-lateral transactions, as per the provision of Grid Code, TSECL can get the schedule revised in case of unit tripping, if TSECL indicate while submitting open access application that its source of power is Pallatana, then in case of tripping of Pallatana, it can revise its schedule. Other option is that for first 4 blocks, the deviation is taken care of by generating station itself and it has no impact on drawee utilities. Another option is continuous market. At present Tripura is selling all its power through Power Exchange. In Power Exchange, it cannot be revised as source and sink are not known. Instead, it should sell part of its power through bi-lateral transaction, which can be revised.

(c) Un-Requisitioned Surplus ( URS) power is also available and as per the Commission`s direction, all the RLDCs are uploading details of URS in their web-site. Tripura can purchase URS of NTPC stations through the trading arm of NTPC. Moreover, there is another option of purchasing power from traders. There are number of traders, who are open on round the clock basis. Through these traders, the petitioner can source some power.

(d) In case of sudden load crash, it can reduce its requisition from thermal generating station or Gas Turbine Stations. NERLDC has agreed to bring down the

technical minimum limit of Pallatana to 65% and for other thermal power stations to 70%. If utilities want, they can maintain drawal as per schedule.

5. The Commission observed that some of the smaller States, such as Tripura and Manipur etc., are really facing some problems and some of the issues have been resolved. However, two issues under contingency are yet to be addressed. In response, the representative of NLDC submitted that the Commission on 17.2.2014 allowed relaxation for deviation of 12% of 150 MW for over drawal and Tripura had requested for 12% of 150 MW for underdrawal also and NLDC has agreed to that. The representative of NLDC further submitted it has also agreed to continuous trading in Power Exchange as submitted by Tripura.

6. In response to NLDC`s submission in regard to the options available under bi-lateral transaction and URS for selling/buying of power during contingency, the representative of TSECL submitted that TSECL has tried many times for bi-lateral transaction but for selling power through bi-lateral, tie-up should be made three months before. After three months also TSECL tried but could not succeed. The representative of TSECL further submitted that Power Exchange is the only source for continuous trading. However, Power Exchange cannot revise on the day of operation. With regard to Un-requisitioned Surplus, the representative of TSECL submitted that machine trips at any time of the day i.e. from 0.00 hrs. to 24.00 hours. On 28.2.2014, Pallatana tripped after mid night and Tripura made some arrangement for purchasing power through trader, namely NVVN and power supply was started only after 10 O`clock in the morning.

7. The representative of MPPMCL submitted that as per the Commission`s direction, MPPMCL has filed written submission in which most of the issues are similar to TSECL. The representative of MPPMCL further submitted that various Renewable Energy categories are not coming under the ambit of DSM. States having more quantum of wind energy suddenly inject power into the system and due to sudden inflow of wind energy in the system, States are being penalized on account of underdrawal. DSM mechanism does not allow deviation of more than 150 MW, while MP has more than 200 MW of wind energy. In such a situation, the State generating stations have to back down. Wind energy coming into the system and getting their energy charges without coming under DSM. Therefore, wind energy should also come under the purview of DSM.

8. After hearing the parties, the Commission directed the petitioner to file on affidavit by 16.5.2014, the details of instances when Pallatana Station tripped since its operationalisation from January, 2014 till date and how TSECL could manage such deviations before 17.2.2014 and after 17.2.2014 giving details of UI/ Deviation charges payable by it.

9. The Commission also directed MPPMCL to file on affidavit by 16.5.2014 the details of instances when MPPMCL faced difficulties after implementation of CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014 since 17.2.2014 and how MPPMCL was managing prior to since 17.2.2014 and how it has become difficult now in managing drawal as per its schedule.

10. Subject to above, the Commission reserved order in the petition.

**By order of the Commission**

**Sd/-  
(T. Rout)  
Chief (Law)**