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Date : 23/02/2017

To,

✓ The Secretary

Central Electricity Regulatory Commission

Chanderlok Building,

36 Janpath,

New Delhi – 110001,

23753923

Fax no. - 011-

Sub: Comments on Fifth Amendment proposed by Hon'ble CERC in Indian Electricity Grid Code (IEGC) – 2016

Madam,

This has reference to Hon'ble CERC's public notice dated 9th December 2016 inviting comments / suggestions from various stakeholders on Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fifth Amendment) Regulation 2016.

In this regard, GUVNL's views / comments are as under:

1. Amendment in Part 6 of Principle Regulations:

In the proposed amendment to Regulation 6.5, Hon'ble Commission has suggested to change the existing scheduling procedure from day ahead (D-1) to two day advance (D-2).

In order to facilitate sale of small quantity of URS power in Power Exchanges, it may not be appropriate to shift the whole schedule paradigm from day head to two days ahead. Further, for a RE rich state like Gujarat having large quantum of RE power which is infirm in nature,

the Demand – Supply scenario is varying even in smaller time interval and therefore it would be difficult for the beneficiary states to provide “net drawl schedule” two days in advance, moreover particularly when many embedded customers are opting to buy power from the Power Exchanges which operates on day ahead basis and the actual picture is made available to DISCOM only by late evening.

As proposed in clause 6.8(c), “if the original beneficiary fails to communicate to ISGS (by 12 pm), then ISGS shall be entitled to sell the URS power of beneficiary in the market”.

In this regards, it is to mention that since the URS power once surrendered cannot be recalled by the beneficiary even after taking the burden of fixed charge is on the original beneficiary, it would not be prudent for the original beneficiary to convey a blanket consent for sale of power 2 days in advance.

2. New Regulation 6.5(A) - Scheduling and Commercial settlement of energy exchanged under Ancillary services including Spinning Reserve and URS

As per proposed amendment in Clause 6.5(A)(d), the gain towards sale of URS power shall be calculated as the difference between selling price of such power and fuel charge including incidental expenses. In this regard, it needs to be clarified as to whether the actual fuel charge or normative fuel charge is to be considered since the settlement is made on monthly basis.

In case the URS power surrendered by the original beneficiary is requisitioned by other beneficiaries of the ISGS, it shall be treated as

reallocation wherein the fixed & variable charge for such energy exchanged shall be borne by the other beneficiaries availing URS. However, in case the URS power is sold in power market, the generator and the original beneficiary share the realized gains in the ratio 50:50.

In case of utilization of URS by another beneficiary within the Region, the Regional Beneficiaries may be allowed to decide the % of fixed charges to be shared between the existing beneficiary and the buyer beneficiary so as to ensure more scheduling of URS by the existing beneficiaries. Moreover, the reduced burden of fixed charges will incentivize the beneficiaries to off take more URS and there will be no burden of trading margin and all incidental expenses incurred towards sale of URS in Power Market. Moreover the original beneficiary will have the right to recall the surrendered power as per existing provisions which is not available in case of sale in Power Market.

Thanking You.

Yours faithfully



General Manager (Comm.)

