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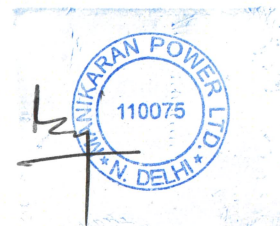
Mr. Sanoj Kumar Jha,
Secretary,
Central Electricity Regulatory Commission (CERC),
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Subject: Comments and Suggestions on Discussion Paper on Re-designing Ancillary Services Mechanism in India

Respected Sir,

This letter is with reference to the “**Discussion Paper on Re-designing Ancillary Services Mechanism in India**” published by Central Electricity Regulatory Commission (CERC), bearing Ref. No. RA-14026(12)/3/2018-CERC dated 6th September 2018. This paper is aimed for initiating discussions on various aspects of increasing the ambit of ancillary services in India through market mechanism. The Commission has called for stakeholder’s comments and suggestions before Re-designing of Ancillary Services Mechanism.

Formed in 2005, Manikaran Power Limited (MPL) is a Trading Member of Indian Energy Exchange (IEX) and Power Exchange India Ltd (PXIL). MPL is also a Category-II Inter State Trading Licensee. MPL has been efficaciously implementing the power trading concept in India and has successfully demonstrated its capability in optimally utilizing the existing infrastructure within the country for the benefit of all. MPL has maintained a remarkable position in the market in electricity trading since its inception in 2008. It seeks to provide comprehensive services in the power trading market to fulfil the Short term, Medium term as well as Long term energy requirements of its customers. As a power trader, MPL supports their clients with data driven power market analysis to help them get best returns. It is not only providing power in Day Ahead Market (DAM) through Exchanges but is also imparting the services to its clients in Term Ahead Market (TAM) of the Power Exchanges. MPL is adept at providing a wide range of services to its clients vide Sale/Purchase of power through Short/medium term trades, bilateral contracts and banking of power.



MANIKARAN POWER LIMITED

The last date of submission of Comments and Suggestion was 10.10.2018 but in the interest of bringing clarity to the proposed Re-designing of Ancillary Services we hereby request the CERC to kindly consider our submission made through this letter while finalising the Re-designing of Ancillary Services.

Attached Comments and Suggestions as Annexure – I.

Yours faithfully,

For, **Manikaran Power Limited**

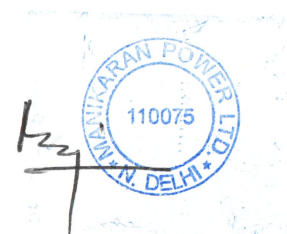


Naveen Srivastava
Vice President

Encl.: Annexure – I

Comments & Suggestions

1. Ancillary Service Reserves are to be quantified for each time block.
2. Each block should be 5 min. block towards procuring Ancillary Services as it is better and provides effective response for the power system. Detailed procedure for implementing the same maybe made accordingly.
3. After implementing the frequency supporting Ancillary Services, studies maybe conducted on voltage (VAR) support and system restoration support Ancillary Services in the future.
4. The present reserves from the ISGS un-requisitioned power which are to be called by the beneficiaries as per the requirement may not be allowed in the future to maintain reserves for the benefit of the system.
5. More generators (IPP, State Generators, ISGS) maybe kept on bar for maximum availability of results.
6. Fast ramp up & ramp down of reserves is necessary to mitigate variation in RE generations.
7. Minimum threshold quantum of reserves maybe fixed for procurement of Ancillary Services.
8. Market mechanism is required for clearing unsettled power keeping in mind the availability of more generators.
9. As per UK, Australia and Europe market operation is done by Exchanges and System operations by the operators. The long term and medium term procurement is done by system operators well in advance. Fast reserves (in seconds, minutes) are available. As per US & NYISO both way system operation plus co-optimization of Energy market and Ancillary market. In this more reliability and less operation cost, and generator gets benefitted. Suitable method maybe followed from the above International practices.
10. Uniform Market Pricing Mechanism definitely is better option in comparison to the Continuous Trading Mechanism
11. In the Ancillary Service location plays a critical role. Hence, the commission should consider procurers location at the time of procurement.
12. In the level playing field procurement mechanism should ensure least cost option, competition between unit sizes, competition between new and old units and new and old technologies.
13. Ancillary Services is done on Centralized Dispatch, the units and plants are to be identified in different regions by NLDC.
14. NLDC may decide and characterize their services in term of Ramp Rate and duration of continuous requirement of energy.
15. NLDC decides for each hour the supplier/generator for reserves.



16. As per the reliability rules, standards and locational reserves, quantum supplied by each particular supplier is decided by NLDC.
17. NLDC may do the dynamic assessment to keep the system in normal state and estimate the requirement of reserves.
18. There may be various demand curves for various regions as per the load and congestion. Hence, there's requirement of price cap for various demand curves. The highest variable cost of ISGS in the country may be considered for the same.
19. NLDC is empowered to do the resource/reserves evaluation at any instant to avoid gaming. If the resource is not able to demonstrate – barred for three years in case it has failed in three successive tests.
20. Ancillary Service may be asked to submit a self-certification as a mandatory clause, on quarterly basis towards primary response (FGMO/RGMO) implementation and acted upon as per regulation during grid incident.
21. Market Operations for Ancillary Services may be taken care by the Power Exchanges with technical clearance of NLDC.

