

Ref. No: GETCO/SLDC/Comm/F-5/ 2078

Date: 18/07/2018

To
The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36, Junpath.
New Delhi-110001

Sub: Comments of Gujarat SLDC, GETCO on draft CERC (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018.

Respected Sir,

With reference to the above, comments of Gujarat SLDC, GETCO on draft CERC (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018.

➤ Clause 3.1:

It is observed that the ACP in general shall be much higher than Rs. 1.78 (present DSM rate corresponding to 50 Hz) and therefore the impact of proposed regulation will have significant payout by each State under similar grid operation.

➤ Clause 3.1, Note (vi) :

The sentence may be redrafted as 'Deviation price, MCP/ACP shall be rounded off to nearest two decimal places of the Paise'

➤ Clause 4.4 :

The impact of deviation from schedule on RE rich State is observed quite significant and may not be able to comply with limit of 3% overall in a day and may fall under 20% penalty regime. As per CERC DSM (third amendment) the maximum allowed deviation limits for RE rich State (States having combined installed capacity of wind and solar projects) is 250 MW per block and thus allowed up to 6 Mus over the day. Hence, there should not be any penalty up to this much quantum of deviation over the day.

Further, the draft regulation (followed by all SERCs) for Intra-State RE framework allows ZERO penalty up to 12% deviation and this may lead to intentional higher DC but State shall have a huge impact of over drawl exceeding 3% CAP.

➤ Clause 4.19 :


Due to desecrate seasonal effect, it shall not be possible for sign change in a short span of a six blocks specifically during the under drawl situation by many States. Viz. There is no further load to connect the grid, generators cannot be made off bar due to ensuing power requirement by next 5-6 hours and no flexible generation, storage device is available. The proposed 20% penalty shall be very severe and ultimately add to power purchase of the DISCOM.

It is proposed that, after violation of prevailing rule (change of sign after every 12 blocks) there shall be penalty started with 4% with increment of 4% for subsequent revisions.

- General comments: The proposed change in regulation shall have a huge financial impact due to rise in DSM bill under the present scenario. The ultimate and collective moto of all statutory bodies and regulators is probably bringing down the cost of power to end consumers. This calls for many other areas to be addressed and grass root reason for DSM violation to be workout instead of mare stringent financial regulation Viz.
 - Allocation of small quantum of power to each ISGS to make it eligible for URS.
 - Real time energy exchange between two States without transmission charges up to the granted LTA.
 - Reversal of exchange contracts with some marginal penalty.
 - Operationalization of pump mode Hydro power station.
 - Rescheduling of ISGS within two time blocks.
 - And other measures indicated in the proposed mechanism.
- Provision of incentive (from the weekly pool) for optimum grid operation i.e. non-violation of sign change, operation within DSM limits.
- NLDC should be assigned as a nodal agency to declare daily DSM rates.

In view of the above, it is requested to incorporate above points in the proposed amendment.

Thanking you,
Yours Faithfully,


(B.B.Mehta)
Chief Engineer (LD)
SLDC, Vadodara.