

**GOVERNMENT OF PUDUCHERRY
ELECTRICITY DEPARTMENT**

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Lr.No 305 /ED/SE-HOD/ SCC/F-11.B/2018-19

Puducherry, dated. 24-07-18

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

Sir,

Sub: Electricity Department – Puducherry – Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 – Comments - Submitted

This has reference to the Public Notice inviting comments from stakeholders on the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 . In this regard, the observations / comments of Electricity Department, Puducherry with regard to the following clause are furnished for favourable consideration.

As per the clause 4.19 of draft regulations, *the Clause (10) of Regulation 7 of the Principal Regulations shall be substituted as under: "In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity, such regional entity (buyer or seller) shall have to make sign of their deviation from schedule changed, at least once, after every 6 time blocks.*

Provided that violation of the requirement under this clause shall attract an additional surcharge of 20% on the daily base DSM payable / receivable as the case may be.

The Union Territory of Puducherry is spread over an area of 492 Sq.Km., which consists of the four enclaves of Puducherry, Karaikal, Mahe and Yanam regions, all erstwhile French establishments. The first two regions viz Puducherry and Karaikal are located within Tamil Nadu while Mahe is located at about 653 Kms west of Puducherry, on the west-coast between Kozhikode and Kannur districts of Kerala. Similarly, Yanam region is located 840 Kms north east of Puducherry, on the east-coast near Kakinada in Andhra Pradesh.

The Electricity Department of Government of Puducherry is a deemed licensee under Section 14 of Electricity Act, 2003 and is carrying on the business of Transmission, Distribution and retail supply of Electricity in Puducherry, Karaikal, Yanam and Mahe Regions of the Union Territory of Puducherry. Of these four regions, except Karaikal region, the remaining three regions are dependent on the power requirement from Central Generating Stations and is covered under the regional energy accounting (REA) of Southern Regional Power Committee (SRPC). Power requirement to Karaikal region is presently being met from TNEB apart from a 32.5 MW Gas based power plant owned by Puducherry Power Corporation Ltd owned by Government of Puducherry which caters only to a part of the loads of Karaikal.

Puducherry region along with Mahe and Yanam is entirely dependent on the Central Generating Stations for its power demand as there are no other generating stations. The peak demand of the above mentioned three regions under CGS source, is about 390 MW and is met from the allocations in the various Central Generating Stations of the region. A state of the art State Load Despatch Centre is functioning round the clock in the Electricity Department, Puducherry.

The CERC (Deviation settlement Mechanism and related matters) Regulations 2014 stipulates that each regional entity shall have to make the sign of their deviation changed at least once, after every 12 time blocks. As Puducherry, Mahe and Yanam are entirely dependent on the Central Generating Stations for meeting its power demand since there are no own sources of generation, Puducherry is managing the zero crossing violation by surrendering its share of power to change the sign of deviation from schedule from negative to positive during periods of underdrawal which is not materialising completely due to a number of reasons. During low

demand periods, when the generators are operating at their technical minimum owing to large scale surrender by other constituents, the quantum of surrender of power sought in a particular generator may not materialise resulting in non realisation of the intended sign change leading to violation inspite of the best efforts to comply with the regulation.

Under such situation, to change the sign of the deviation from schedule every six blocks ie from positive to negative and vice versa as stipulated in the draft DSM regulations (2018), the only possible option would be to adjust the schedule allocated from the CGS. ie in the event of sustained underdrawal, the available option would be to surrender suitable quantum of power once every six blocks so as to result in overdrawal and thereby positive sign change . However the above method does not work always as is being experienced now. After multiple instances of surrender, ie after a second or third attempt only the desired quantum of surrender will be achieved to result in the deviation sign change to positive.

Similarly, during instances of reduced allocation due to forced outages in the Central Generating Stations, there might be instances when marginal continuous positive deviation occurs. In those instances even though the deviation might be within the IEGC prescribed volume limits, owing to the zero crossing violation clause, the Electricity Department might be forced to shed loads to reduce the load and bring the deviation to negative as there is no own generation to make up for the loss of generation in the CGS. Undeclared load shedding in a day is likely to attract public criticism,

Further, it is also to highlight that the average deviation from schedule in respect of Puducherry at any given time is in the range of 15 to 25 MW only which is a meagre quantity and has only a negligible effect considering the volume of power transaction happening in the grid.

In this connection, proviso to clause (1) of Regulation 7 of the Principal Regulations has been proposed, which stipulates that total deviation from schedule in energy terms during a day shall not be in excess of 3% of the total schedule for the drawee entities and additional charge of 20% of the daily base DSM payable / receivable shall be applicable in case of violation. With this clause the average deviation quantum will be further

narrowed down. As such the impact to the grid on account of the deviation of such meagre quantum in respect of Puducherry will be negligible or zero and hence sign change is unlikely to have impact on the grid in a large way.

Hence, taking into consideration the non-availability of generating stations for managing the demand, it is requested that exemption from the clause for change in the sign of the deviation from schedule every six blocks and the resulting additional surcharge on account of this violation proposed in the draft CERC (Deviation settlement Mechanism and related matters) regulations 2018 may kindly be granted in respect of Puducherry. Besides, exemption may also be granted to Puducherry from the proposal to levy additional charges for daily deviations in excess of 3% in terms of energy in view of the relatively small volume of energy consumption. The request of the Electricity Department, Puducherry may kindly be considered as a special case in view of its unique nature and necessary provision may kindly be incorporated in the proposed Deviation Settlement Regulations of 2018.

Yours faithfully



Superintending Engineer cum HOD
Electricity Department
Puducherry