



GRIDCO Limited

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CIN : L40109OR1995SGC003960

No. Sr.GM-(PP)-87/2018/

4070 (2)

Date: 31.7.2018

To,

Mr. Sanoj Kumar Jha
Secretary, Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001
Email: secy@cercind.gov.in

Sub: Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 – Reg.

Ref: CERC Public Notice No. L-1/132/2013-CERC Dtd. 29.06.2018

Sir,

With reference to the subject cited above, the Comments/Suggestions/Objections of GRIDCO are as follows:

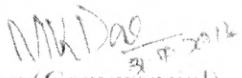
As seen from the 'Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018', there are certain intricacies, included in it, which requires more study prior to implementation. Also, Hon'ble CERC has come up with an order in Petition No. 07/SM/2018 (Suo-Motu) Dtd. 16.07.2018 in the matter of 'Pilot Project on 05-Minute Scheduling, Metering, Accounting and Settlement for Thermal/Hydro, and on Hydro as Fast Response Ancillary Services (FRAS)'.

In view of the above, it is proposed that:

- (1). Pilot project study should be carried out to know the operation and financial implications so as to avoid any further litigation/controversy.
- (2). As there is virtually only one Power Exchange (IEX) in India, it is not prudent to leave the mechanism with one Exchange to discover the price.
- (3). In view of the massive RE integration, 5 Minutes Scheduling, Flexible Scheduling of Generation, Merit Order Operation and Scheduling of Thermal Generators, Real Time auction based trading along with the Gate-closure concept, the Beneficiary is confused.
- (4). It is a general feeling that different concepts, as mentioned above are moving separately in different directions in divergent manner, though the operational and financial implication of each concept is understood to some extent, the Beneficiaries are in confused state regarding the implications and outcome thereof, when all the concepts will be simultaneously in force.

Therefore, it is proposed that prior to implementation of the above concept, Pilot Study/Simulation Studies may be conducted in different scenarios both in Regional and National basis. Results of the studies may be shared with all the stakeholders for their analysis/comments. After successful pilot study, we may proceed for implementation of the said 4th Amendment to Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations and till such date, the proposed amendment may kindly be deferred.

Yours faithfully,


Director (Commercial)

C.C.: L.A. to CMD, GRIDCO for kind appraisal of CMD.