

Comments on Draft CERC (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018

1. Clause No: 2.1 & 2.2:

“Area Clearing Price (ACP)” means the price of 15-minute time block Electricity contract established on the Exchange arrived at after Considering all valid purchase and sale bids in particular area(s) Determined after market splitting, i.e. dividing the market across Constrained transmission corridor(s).”

JITPL Comments: when Area Clearing price is less say Rs. 2.50 /unit, the generator have no incentive for over injection in case frequency is on falling trend (i.e. from 50 Hz. even if the inherent margins are available.

JITPL Suggestion: It is requested to set minimum Area clearing price for DSM purpose say at Rs. 2.50/unit.

2. Clause No: 4.4:

“Provided also that the total deviation from schedule in energy terms during day shall not be in excess of 3% of the total schedule for the drawee entity and 1% for the generators and additional charge of 20% of the daily base DSM payable / receivable shall be applicable in case of said violation.”

JITPL Comments: In case of tripping of plant, the reason for tripping and restoration time has to be intimated to RLDC for revision of schedule. This whole process takes at least 8 time blocks but as per regulation revision in schedule is implemented after 4th time block from which revision is intimated. So in such cases total deviation will be much more than 1% in case of generator and generator has to bear additional charge of 20% of daily DSM. This shall have huge financial implication on generator.

JITPL Suggestion: In case of tripping of plant, Daily deviation limit may please be 3% as in case of Discoms.

3. Clause No: 4.19:

“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. To illustrate, if a regional entity has positive deviation from schedule from 07.30 hrs to 09.00 hrs, sign of its deviation from schedule shall be changed in the 7th time block i.e. 09.00 hrs to 09.15 hrs from positive to negative or negative to positive as the case may be. 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.”

JITPL Comments: In case of sudden tripping of plant or Auxiliary, Generator has no option but to under inject during first few time blocks by which RLDC revises the schedule, So Generator continuously under injects. In that case it is not possible to reverse the sign of deviation within 6 time blocks and it will attract penalty of 20% on the daily DSM Payable.

JITPL Suggestion:

(1): Either change in reversal of sign of deviation has to be increased from 6th time block to 12th time block or there should be certain no. of tripping fixed in a year and once the limit of no. of tripping exhausted then 20% penalty on the daily DSM should be attracted.

(2): In various cases such as: a) Real time curtailment, b) Technical Problem in plant, c) Plant is running on technical minimum, d) Schedule is below technical minimum. In all cases, generator has to continuously over inject to run at technical minimum. In all such cases deviation from schedule will be very high. So the 20% of the daily DSM penalty will result in unjust burden on generator.

It is suggested that the penalty should be minimum or some range has to be fixed for deviation for technical minimum schedule.