

MB POWER (MADHYA PRADESH) LIMITED

Corporate Office: 239, Okhla Industrial Estate, Phase-III, New Delhi- 110020
Tel: +91 11 47624100 Fax: +91 11 47624229

Ref. No: MBPMPL/2018-19/CERC/551

Dated: 31.07.2018

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

Subject: Comments on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018

Ref: CERC Notification No. L-1/132/2013-CERC dated 29th June 2018

Dear Sir,


This is with reference to the above notification published by Hon'ble CERC regarding "Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018" wherein Hon'ble CERC has invited comments / suggestions / objections from the stakeholders and interested persons on the above mentioned draft regulations.

Since MB Power (Madhya Pradesh) Ltd. is an IPP directly connected to the CTU network, it is one of the stakeholders and will be directly affected by these regulations. Hence we would like to provide some comments/ suggestions on the draft DSM regulations published via notice mentioned above. Our comments / suggestions on the same are enclosed with this letter

We request you to kindly consider our comments / suggestions favourably.

Thanking you,

Yours faithfully,
For MB Power (Madhya Pradesh) Limited


Rahul Sharma
GM (Business Development)

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Comments/ Suggestions on DRAFT AMENDMENT to Deviation Settlement Mechanism and related matters Regulations, 2014

S. No.	Clause Reference	Comments/ Suggestions
1.	Clause 3 Amendment of Regulation 5 (Charges for Deviations) of the Principal Regulations:	CERC has prescribed frequency band from 49.85 Hz to 50.05 Hz from existing 49.7 Hz to 50.05 Hz. Although the principle behind such narrow band is grid discipline, however, from operational point of view, such narrow frequency band may pose operational challenges for Generators as well as distribution licensees.
2	Clause 3 Amendment of Regulation 5 (Charges for Deviations) of the Principal Regulations:	Calculation of Deviation charges becomes quite cumbersome by linking Daily average Area Clearing Price discovered in the Day Ahead Market segment of power exchange with frequency. Further, in case of Market splitting i.e. the situation where separate price is discovered for separate regions, every region would have different rates for deviation. Hence, at same frequency different constituents would be subject to different charges for deviation, thereby rendering the mechanism as unfair.
	<i>Clause 4.19</i> <i>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</i>	This provision of sign change after every 6 blocks is quite stringent from operational perspective. In case of forced outage no revision of schedule is possible under collective transaction. Hence, the generator would be forced to pay a very heavy penalty as it would be liable to pay additional surcharge of 20% on the daily basis. It is requested that sign change be allowed after 12 blocks as per existing regulations.

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<p><i>Clause 4.4</i></p> <p><i>Provided also that the 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 1% for the generators and additional charge of 20% of the daily base DSM payable / receivable shall be applicable in case of said violation."</i></p>	<p>This provision is unfair from generators perspective. As you may appreciate that in case the of distribution licensees, who have schedules from multiple generators / sources, adherence to schedule is practically more plausible than generators.</p> <p>On the other hand for a generator, if the unit goes under forced outage it becomes quite difficult to follow the 1% norm.</p> <p>Hence requested to allow 3% deviation from schedule to generators (injecting utilities) as allowed to distribution licensees (drawees).</p>
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