



**BIHAR STATE POWER HOLDING COMPANY LIMITED**  
**Regd. Office :- Vidyut Bhawan, Bailey Road, Patna-21**

**The Comments /suggestion /Objection on the Draft 5<sup>th</sup> amendment for DSM Regulations published on 18<sup>th</sup> April 2019**

| <b>Clause</b> | <b>Existing Provision</b>  | <b>Proposed amendment</b>   | <b>Remarks</b>   |
|---------------|--|---|--|
| 2(1)          | New Sub-Clause   | <p><i>"(gb) <b>Daily Base DSM</b>" means the sum of charges for deviations for all time blocks in a day payable or receivable as the case may be, excluding the additional charges under Regulation 7.</i></p> <p><i>(qa) <b>Time Block DSM</b>" means the charge for deviation for the specific time block in a day payable or receivable as the case may be, excluding the additional charges under Regulation 7"</i></p>                                 | <p>Time block DSM is defined and proposed to use in calculation of additional deviation charges which were earlier calculated on entire day's DSM charges.</p> <p>This is better approach and would lead to lesser burden due to 'Sign-change Violation Charges'</p> |
| 5(2)          | New Sub-Clause   | <p><i>(e) The charges for inter-regional deviation and for deviation in respect of cross-border transactions shall be computed on the basis of the unconstrained market clearing price in Day Ahead Market.</i></p> <p><i>(f) The charges for deviation in respect of an entity falling in different bid areas, shall be computed on the basis of the daily average ACP of the bid area in which such entity has largest proportion of its demand."</i></p> | <p>The proposed amendment is not applicable to BSPHCL since entire control area of BSPHCL falls under only single region i.e. E1</p>   |
| 5(3)          | The Cap rate for the charges for the Deviation for the generating stations regulated byCERC using coal/lignite or gas supplied under | <i>"The Cap rate for the charges for deviation for the generating stations, irrespective of the fuel type and whether the tariff of such generating station is</i>  | The proposed amendment is only applicable to generating stations   |

| Clause | Existing Provision   | Proposed amendment   | Remarks  |
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|        | Administered Price Mechanism (APM) as the fuel shall be the value coinciding with the energy charges on imported coal on Deviation Price Vector.   | <i>regulated by the Commission or not, shall not exceed 303.04 Paise/kWh"</i>  |  |
| 7 (1)  | Provided also that from a date not earlier than one year as may be notified by the Commission, 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>Deleted</i>   | The proposed dedendum of the existing provision is a welcome step. This is a relief for BSPHCL since the charges earlier proposed in the 4 <sup>th</sup> amendment will have huge impact on the DSM charges because of very small deviation limit of 3% per day.                       |
| 7(4)   | In addition to Charges for Deviation as stipulated under Regulation 5 of these regulations, Additional Charge for Deviation shall be applicable for over injection/under-drawal of electricity for each time block by a seller/buyer as the case may be when grid frequency is '50.05 Hz and above' at the rates equivalent to charges of deviation corresponding to the grid frequency of 'below 50.01 Hz but not below 50.0 Hz | <i>"In addition to Charges for Deviation as stipulated under Regulation 5 of these regulations, Additional Charge for Deviation shall be applicable for over injection/ under drawl of electricity for each time block by a buyer/ seller as the case may be when grid frequency is '50.10 Hz and above' at the rates equivalent to charges of deviation corresponding to the grid frequency of 'below 50.01 Hz but not below 50.0 Hz', or cap rate for deviation of 303.04 Paise/kWh whichever is lower."</i> | The proposed amendment is a welcome step. This is positive for BSPHCL since the band for deviation is increased from 50.05 to 50.10 and the additional DSM charges due to under drawl is applicable only after 50.10 (where as it was applicable from 50.05 in the current regulation) |
| 7(6)   | Additional Charge for Deviation for under-injection of electricity by a seller, during the time-block when grid frequency is "below 49.85 Hz', by the generating stations  | Additional Charge for Deviation for under-injection of electricity by a seller, during the time-block when grid frequency is "below 49.85 Hz', by the generating stations regulated by CERC using coal or lignite orgas  | The proposed amendment is only applicable to generating stations   |

| Clause | Existing Provision   | Proposed amendment  | Remarks  |
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|        | regulated by CERC using coal or lignite or gas supplied under Administered Price Mechanism (APM) as the fuel in accordance with the methodology specified in clause 8 of this regulation shall be equivalent to 100% of the Cap Rate equivalent to the energy charges as billed for the previous month.  | supplied under Administered Price Mechanism (APM) as the fuel in accordance with the methodology specified in clause 8 of this regulation shall be equivalent to 100% of the Cap Rate of 303.04 Paise/kWh.  |  |
| 7(10)  | <p>In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such regional entity shall have to change sign of their deviation from schedule, at least once, after every 6 time blocks. To illustrate, if a regional entity has positive deviation from schedule from 07.30 hrs to 09.00hrs, sign of its deviation from schedule shall be changed in the 7th time block i.e. 09.00hrs to 09.15hrs from positive to negative or vice versa as the case may be.</p> <p>Provided that violation of the requirement under this clause shall attract an additional charge of 20% on the daily base DSM payable / receivable as the case may be.</p> | <p><i>In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such entity shall correct its position in the manner as specified under clauses (a) and (b) of this Regulation.</i></p> <p><i>(a) <b>Up to 31.03.2020</b>, if the sustained deviation from schedule continues for 12 time blocks, the regional entity (buyer or seller), shall correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 13th time block. Provided that each violation of the requirement under this clause shall attract an additional charge of 10% on the time block DSM payable / receivable as the case may be.</i></p> <p><i>(b) <b>From 01.04.2020</b>, if the sustained deviation from schedule continues for 6 time blocks, the regional entity (buyer or seller), shall correct its position, by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW</i></p> | <p>The proposed amendment is a welcome step. This has large positive impact on BSPHCL DSM charges as the proposed amendment allows deviation up to +/-2% deviation of schedule and also extended sign changes requirement till 12 blocks, till March 2020.</p> <p>Though the no. of time blocks are again being reduced to 6 from April 2020, the charges will be calculated on the specific block's deviation amount but not on the total day's deviation (as followed in the current regulation) amount thereby reducing the penalties by huge margin.</p> |

| Clause                                 | Existing Provision   | Proposed amendment   | Remarks                          |                                  |                                      |   |                                      |   |  |  |  |
|--|--|--|----------------------------------|----------------------------------|--------------------------------------|---|--------------------------------------|---|--|--|--|
|  |  | <p><i>with reference to its schedule, at least once, latest by 7th time block</i></p> <p><i>Provided violation under this clause shall attract additional charge as:</i></p> <table border="1" data-bbox="913 488 1485 967"> <thead> <tr> <th data-bbox="913 488 1151 555"><i>No.of violations in a day</i></th> <th data-bbox="1151 488 1485 555"><i>Additional Charge payable</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="913 555 1151 692"><i>From first to fifth violation</i></td> <td data-bbox="1151 555 1485 692"><i>For each violation, an additional charge @ 3% of daily base DSM payable / receivable</i></td> </tr> <tr> <td data-bbox="913 692 1151 829"><i>From sixth to tenth violation</i></td> <td data-bbox="1151 692 1485 829"><i>For each violation, an additional charge @ 5% of daily base DSM payable / receivable</i></td> </tr> <tr> <td data-bbox="913 829 1151 967"><i>From eleventh violation onwards</i></td> <td data-bbox="1151 829 1485 967"><i>For each violation, an additional charge @ 10% of daily base DSM payable / receivable</i></td> </tr> </tbody> </table> <p><i>Provided further that counting of number of sign change violations under clauses (a) &amp; (b) of this Regulation shall start afresh at 00.00 Hrs. for each day.</i></p> <p><i>Provided also that payment of additional charge for failure to adhere to sign change requirement as specified under clauses (a) &amp; (b) of this regulation shall not be applicable to:</i></p> <p><i>a. renewable energy generators which are regional entities</i></p> | <i>No.of violations in a day</i> | <i>Additional Charge payable</i> | <i>From first to fifth violation</i> | <i>For each violation, an additional charge @ 3% of daily base DSM payable / receivable</i> | <i>From sixth to tenth violation</i> | <i>For each violation, an additional charge @ 5% of daily base DSM payable / receivable</i> | <i>From eleventh violation onwards</i> | <i>For each violation, an additional charge @ 10% of daily base DSM payable / receivable</i> |  |
| <i>No.of violations in a day</i>       | <i>Additional Charge payable</i>   |  |                                  |                                  |                                      |   |                                      |   |  |  |  |
| <i>From first to fifth violation</i>   | <i>For each violation, an additional charge @ 3% of daily base DSM payable / receivable</i>  |  |                                  |                                  |                                      |   |                                      |   |  |  |  |
| <i>From sixth to tenth violation</i>   | <i>For each violation, an additional charge @ 5% of daily base DSM payable / receivable</i>  |  |                                  |                                  |                                      |   |                                      |   |  |  |  |
| <i>From eleventh violation onwards</i> | <i>For each violation, an additional charge @ 10% of daily base DSM payable / receivable</i> |  |                                  |                                  |                                      |   |                                      |   |  |  |  |

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|--------|--|---|---|
|        |  | <p>b. run of river projects without pondage</p> <p>c. any infirm injection of power by a generating station prior to CoD of a unit during testing and commissioning activities, in accordance with the Connectivity Regulations</p> <p>d. any drawal of power by a generating station for the start-up activities of a unit.</p> <p>e. any inter-regional deviations.</p> <p>f. forced outage of a generating station in case of collective transactions on Power Exchanges.</p> <p><b>Explanation:</b> For the purpose of this Regulation, sustained deviation means continuous deviation outside the range of +/- 10 MW from schedule, such range being a subset of the volume limit specified in Regulation 7(1) and 7(2) as 150/200/250 MW as applicable. In other words, if the deviation is brought within the range of +/- 10MW or it remains within the range of +/- 10MW, it will not be considered as sustained deviation</p> | <p>BSP(H)CL is also of this view that proposed range of deviation from scheduled to be allowed even after 12 time blocks when sign changes is necessary be kept within the range of <math>\pm 2\%</math>, instead of proposed <math>\pm 10</math> MW. Further the margin available in UI is only <math>\pm 10</math> MW to avoid sign violation in every 13<sup>th</sup> time block. This margin needs to be increased to atleast <math>\pm 100</math> MW as keeping the UI <math>\pm 10</math> MW is really very difficult. Also there is frequent mismatch of data between BSP(H)CL &amp; ERLDC.</p> <p>Further 5<sup>th</sup> amendment states that from 1<sup>st</sup> April 2020 the sign changes shall be done after every 6 time blocks. This clause may be repealed &amp; allowed 12 time block for sign changes may be extended beyond 31<sup>st</sup> March 2020.</p> |
| 7(11)  | Payment of Charges for Deviation under Regulation 5 and the Additional Charges for Deviation under Clauses (3) and (4) of this regulation, shall be levied without prejudice to any action that may be considered appropriate by the Commission under Section 142 of the Act for contravention of the limits of over-drawal/ under drawal or under-injection /over-injection as specified in these | <i>Payment of Charges for Deviation under Regulation 5 and the Additional Charges for Deviation under Clauses (3), (4) and (10) of this regulation, shall be levied without prejudice to any action that may be considered appropriate by the Commission under Section 142 of the Act for contravention of the provisions of the said regulations</i>   | Additional charges levied under 'sustained deviation' are also proposed to be brought under this clause.  |

| Clause  | Existing Provision   | Proposed amendment | Remarks  |
|---------|--|--------------------|--|
|         | regulations, for each time block or violation of provision of clause 10 of these regulations.  |                    |  |
| 7(11) a | <p>The additional charge for violation of sign change stipulation shall be leviable for each such violation during a day.</p> <p>To illustrate, the change of sign should take place at least once after every six time blocks. Accordingly, the entity, starting from time block t1, should change the sign after time block t6. In case, sign change does not take place immediately after time block t6, but takes place from time block t7 upto time block t12, additional charge shall be levied equivalent to one violation. In case, sign change does not take place immediately after time block t12, but takes place from time block t13 upto time block t18, additional charge shall be levied equivalent to two violations.</p> | <i>Deleted</i>     | <p>The proposed dedendum is a welcome step. The changes proposed in this existing provision is beneficial for BSPHCL, since the sign change requirement is extended from existing 6 blocks to 12 blocks and the charges are based on the specific block deviation but not on total day deviation charges</p> |