

17<sup>th</sup> May 2019

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

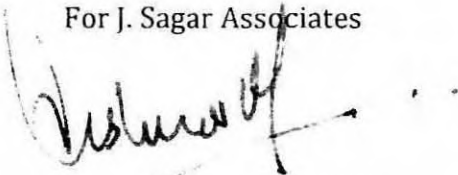
**Ref: Public Notice dated 18.04.2019 issued by this Hon'ble Commission**  
**Subject: Comments/suggestions/objection on behalf of West Bengal State Electricity Distribution Company Ltd.**

Dear Sir,

1. This is with reference to the Public Notice dated 18.04.2019 issued by this Hon'ble Commission inviting comments/suggestions/objections from stakeholders and interested persons on the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019 ("**Draft Regulations**").

2. We hereby submit the enclosed comments/suggestions/objections on the Draft Regulations on behalf of our client, West Bengal State Electricity Distribution Company Ltd. ("**WBSEDCL**") for the kind consideration of this Hon'ble Commission.

For J. Sagar Associates



(Counsel for WBSEDCL)

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**Comments/Suggestions/Objections by West Bengal State Electricity Distribution Company Ltd. (WBSEDCL)  
on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters)  
(Fifth Amendment) Regulations, 2019**

Clause No:	Amendment proposed	WBSEDCL Comments/Suggestions/Objections
Clause 4.5	<p>Clause (10) of Regulation 7 of the Principal Regulations shall be substituted as under:</p> <p>"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.</p> <p>(a) Up to 31.03.2020, 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</p>	<p>1. As per prevailing Market design, a minimum timespan of about 3 to 4 hours is required to procure power from Exchange platform under contingency condition.</p> <p>Example: For procurement of power from 05.00 hrs. to 06.00 hrs., a distribution utility has to place purchase bid between 01.00 hrs. to 02.00 hrs., i.e., 3 to 4 hours prior.</p> <p>2. For instance, a distribution utility starts facing shortfall from 01.15 hrs. onwards due to sudden outage of units or due to downward revision of generators with whom the said distribution utility has long/medium term PPA. In such a situation, to mitigate such shortfall, purchase bid in contingency market of Exchange platform can be placed by such distribution utility for the delivery from 05.00 hrs. onwards considering a clear time gap of 3 to 4 hours. Till such time the distribution utility has to overdraw from the grid to provide 24X7 uninterrupted power supply to all sorts of consumers as per national mandate. Moreover, the contingency market of Energy exchange remains closed from 23.00 hrs. to 00.30 hrs. of succeeding day.</p> <p>3. In light of the above, it is proposed that utilities may be allowed to correct its sustained deviation latest by 17<sup>th</sup> time block otherwise the distribution utilities will</p>

Clause No:	Amendment proposed	WBSEDCL Comments/Suggestions/Objections
	<p>with reference to its schedule, at least once, latest by 13th time block.</p> <p>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.</p> <p>(b) From 01.04.2020, 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 with reference to its schedule, at least once, latest by 7th time block.</p> <p>Provided that violation of the requirement under this clause shall attract an additional charge as specified in the table below:</p>	<p>be penalised unnecessarily which has an ultimate impact on the consumers. This is since a lead time of 3 to 4 hours is required to procure power from the exchange.</p> <p>4. To make lenient the sign change compliance, the range +/- 10 MW as proposed will bring remarkable discrimination between the lower &amp; higher quantum scheduled utilities. Usually the Discoms having large command area has higher schedule than that of smaller command area. The chance of demand forecast failure of a large Discoms for a particular time block is more than the smaller Discoms due to more geographical diversity &amp; its corresponding weather effect. The demand forecast failure in the range of +/-2% in a particular time block is quite realistic in load despatch operation.</p> <p>5. So, the +/- 10 MW range for the utilities whose schedule are around 100 MW or less is advantageous as they are getting 10% or more deviation flexibility for sign change compliance compared to the utilities whose schedules are 1000 MW or more are getting only 1% or less deviation flexibility for the same. So, the specified range of +/- 10 MW irrespective of schedule quantum will bring irrational treatment among the utilities. Moreover, from the experience of last three months operation after the implementation of 4th Amendment, it has been noticed that the wide discrepancy between SCADA &amp; ABT meter data is sometimes misleading the system operation for sign change purpose &amp; has now become a major area of</p>

Clause No:	Amendment proposed	WBSEDCL Comments/Suggestions/Objections								
	<table border="1"> <thead> <tr> <th data-bbox="411 367 620 532"><i>No. of violations in a Day</i></th> <th data-bbox="620 367 962 532"><i>Additional Charge Payable</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="411 532 620 756"><i>From first to fifth violation</i></td> <td data-bbox="620 532 962 756"><i>For each violation, an additional charge @ 3% of daily base DSM payable / receivable</i></td> </tr> <tr> <td data-bbox="411 756 620 980"><i>From sixth to tenth violation</i></td> <td data-bbox="620 756 962 980"><i>For each violation, an additional charge @ 5% of daily base DSM payable / receivable</i></td> </tr> <tr> <td data-bbox="411 980 620 1205"><i>From eleventh violation onwards</i></td> <td data-bbox="620 980 962 1205"><i>For each violation, an additional charge @ 10% of daily base DSM payable / receivable</i></td> </tr> </tbody> </table>	<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>	<p>concern for the utilities from commercial point of view.</p> <p>So, in view of above it is hereby proposed to make such range within +/- 4 % of the schedule or +/-50MW whichever is less.</p> <p>6. It has been proposed that from 01.04.2020 the time block interval for sign change will revert back from 12 to 6 time blocks like present norms. which will create the same problem to the utilities as facing now due to four hours long delayed dispatch of market participated power as stated earlier. So, it is hereby proposed to implement such change after the systemisation of Real Time Market (RTM) in line with the CERC discussion paper on "Re-designing of electricity market in India" published on July'2018.</p> <p>7. This dispensation should be made applicable with effect from 1<sup>st</sup> January 2019 given that the proposed amendments are on account of technical and operational issues raised by the stakeholders and duly identified and acknowledged by this Hon'ble Commission in the Explanatory Memorandum issued along with the Draft Amendment. As such, since the Hon'ble Commission recognizes the difficulties in implementation of sign change and has proposed the staggered implementation as per the proposed Clause 7(10), the same may be made effective from 1<sup>st</sup> January 2019, i.e., the date when the compulsory sign change after each six time blocks was introduced by way of the CERC (Deviation Settlement Mechanism and related</p>
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**WBSEDCL Comments on Draft CERC DSM 5<sup>th</sup> Amendment Regulations, 2019**

Clause No:	Amendment proposed	WBSEDCL Comments/Suggestions/Objections
		matters) (Fourth Amendment) Regulations were made applicable.
<p>Proposal for additional clause for waiving sign change noncompliance penalty &amp; additional penalty for injection above the frequency of 50.10 Hz in the event of uncontrollable situation.</p>	<p>In the event of sudden Norwester (Thunderstorm with rain usually happens in the eastern part of the country during March to May of every year) or Cyclones, the Discoms face abrupt demand crash, the extent of which is quite unpredictable. Even IMD sometimes fails to predict the timing &amp; intensity of such thunderstorm well in advance. Under this situation the avalanche upsurge of under drawl/injection to the grid by the Discoms usually takes place, which is beyond the operational control of Distribution system operators or/and SLDC. Considering such events as special, it is hereby proposed to waive the additional DSM charge for sign change noncompliance &amp; for injection above 50.05HZ frequency (vide clause no 7(4) of principal Regulation &amp; its subsequent amendments) during those uncontrollable injection periods. For the above purpose, respective SLDCs may be authorised for necessary certification of "uncontrollable situation".</p>	

*The Comments/Suggestions/Objections provided hereinabove are without prejudice to our submissions in W.P. (C) No. 13972/2018 pending before the Hon'ble Delhi High Court.*