

CENTRAL ELECTRICITY REGULATORY COMMISSION

3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi-110001

Minutes of Meeting: Constitution of Expert Group to review “Indian Electricity Grid Code and other related issues”- 5th Meeting thereof.

1. Fifth meeting of Expert Group to review “Indian Electricity Grid Code and other related issues” was held on 16th July, 2019 at 2:30 pm in Third Floor, Conference Room, 36, Janpath, Chanderlok Building.
2. During the meeting, Chairman and Members of the Expert Group, CERC staff, representatives from POSOCO and representatives from Mercados were present.
3. The minutes of the fourth meeting were approved by the Expert Group.
4. Key points during the presentation:
 - a. Deviation Settlement Mechanism is being used as a real time energy procurement and sale
 - b. Low liquidity in exchanges
 - c. Absence of gate closure preventing firmness of schedule
 - d. Rationale for Real Time Market:
 - i. Organized platform with access to larger pool for buyers and sellers
 - ii. Help to manage RE variability
 - iii. Reduce dependence on DSM
 - iv. Hesitation of stakeholders to indulge in collective transaction
 - v. Avenue for merchant/un-tied capacities to sell power
 - vi. Option to manage real time load variation
 - e. Benefits of Real Time market:
 - i. Discoms will procure power for real time imbalances from organized markets
 - ii. Discoms to have access to larger pool of generation
 - iii. Price discovery to be more efficient
 - iv. Gain to be shared 50:50 with the beneficiary
 - v. Incentivizes cheaper generation
 - vi. Provides default payment security
 - f. Initial Proposal: Hourly real time market suggested in the discussion paper
 - g. Key Objections:
 - i. Gujarat/Maharashtra opposed tying up of generators to real time market
 - ii. NTPC and NLCIL also suggested to reduce the gate closure time to one hour
 - h. New proposal: Half hourly real time market
 - i. No special dispensation to RE in RTM after gate closure

- ii. Required Amendments:
 - 1. Provision for Right to recall
 - 2. Scheduling for RTM Transactions
 - 3. Settlement under RTM
 - i. Key concerns raised by the group:
 - i. Concern over simultaneous implementation of SCED and RTM
 - ii. Concern over the length of the Delivery Period
 - iii. AGC to be mandated in IEGC
 - iv. Random provision of Open Access to stop
 - v. Coal Linkage for efficient plants
 - j. Key issues raised by POSOCO:
 - i. Time available after gate closure
 - ii. Liquidity available in Real Time Markets
 - iii. Procurement of ancillary services along with RTM settlement
- 5. The Group, based on the above discussion, observed as follows:
 - a. The draft proposal for introduction of real time marked is welcome and needs speedy implementation to create opportunities for Discoms, generators and open access consumers, and to provide a transparent real time grid balancing.
 - b. There are two areas of concerns:
 - i) Processing time of 30 min for system operator appears very tight.
 - ii) Despatch period of one hour would be better option to begin with.
 - c. With a view to have more liquidity RTM, it is suggested to consider closing STOA window on first come first serve basis seven day before the day of scheduling.
- 6. The Group requested a presentation on Ancillary Services Market. The same has been fixed for 29th July 2019.

The meeting ended with a vote of thanks to the chair.