

## OTPC Palatana Project – Comments on Changes in IEGC due to Real Time Market for Electricity

We welcome the framework for Real Time Markets for Electricity by CERC as it aims to:

- A. Introduce real time trade of electricity
- B. Remove dependence on DSM for real time energy as it poses challenge to grid security
- C. Provide an organized platform for energy trade closer to real time
- D. Provide alternative to continuous intra-day market

As CERC has brought out that concerns have been raised in implementation and procedural aspects of real time market. We would like to also put forward our comments on the proposed framework by CERC as below:

**1. Clause (18) of Regulation 6.5 of Part 6 of the Principal Regulations, shall be substituted as under:**

“18. Revision of declared capability by the ISGS(s) having two part tariff with capacity charge and energy charge and requisition by beneficiary (ies) for the remaining period of the day shall also be permitted with advance notice. Any revision in schedule made in odd time blocks shall become effective from 7<sup>th</sup> time block and any revision in schedule made in even time blocks shall become effective from 8<sup>th</sup> time block, counting the time block in which the request for revision has been received by the RLDCs to be the first one.”

**Sub clause (a) of clause 18 of Regulation 6.5 of the Principal Regulations, shall be substituted as under:**

“In case of forced outages of a unit, for those stations who have a two part tariff based on capacity charge and energy charge for long term and medium term contracts, the RLDC shall revise the schedule on the basis of revised declared capability. The revised declared capability and the revised schedules shall become effective from the time block and in the manner as specified in Regulation 6.5.18.”

### **OTPC remarks:**

As per Explanatory Memorandum from CERC, these changes are required to facilitate Half Hour gate closer mechanism for RTM so that a revolving reserve may be available in the form of half hourly trading opportunity. However, the framework is not addressing the needs of generators like Palatana that face:

- a. variable fuel gas supplies
- b. tripping due to faults in transmission lines
- c. variable generation due to weather/ambient conditions

Though it is a positive step for meeting real time energy needs, it fails to address the concerns of gas generators like Palatana which are dependent on fuel supply from single isolated source without any storage facilities. The fuel gas supplies vary in real time. Therefore these changes to Time Blocks revision to 7<sup>th</sup> and 8<sup>th</sup> time block will affect generators like OTPC adversely. Earlier generators could revise their schedules within 4 time blocks as per gas supply variations but as per RTM framework generators shall need to wait

for 7-8 time blocks to revise their schedules. This may even lead to higher charges payable in form of DSM charges. Hence, Palatana plant shall be prone to higher commercial losses due to tripping, variations in gas availability, and ambient condition etc.

**It is hence prayed that the time for schedule revision for power (LTA/MTA/STA) may be retained as per prevailing IEGC regulations at 4 time blocks. The new time blocks (7<sup>th</sup> and 8<sup>th</sup>) for rescheduling may only be applied for RTM market.**

**2. Clause 19 of Regulations 6.5 of Part 6 of the Principal Regulations shall be substituted as under:**

“In case of forced outage of a unit of a generating station (having generating capacity of 100 MW or more) and selling power under Short Term bilateral transaction (excluding collective transactions through power exchange), the generator or electricity trader or any other agency selling power from the unit of the generating station shall immediately intimate the outage of the unit along with the requisition for revision of schedule and estimated time of restoration of the unit, to SLDC/RLDC, as the case may be. The schedule of beneficiaries, sellers and buyers of power from this generating unit shall be revised accordingly. The revised schedules shall become effective from the time block and in the manner as specified in Regulation 6.5.18. The SLDC/RLDC as the case may be, shall inform the revised schedule to the seller and the buyer. The original schedule shall become effective from the estimated time of restoration of the unit. However, the transmission charges as per original schedule shall continue to be paid for two days.

Provided that the schedule of the buyers and sellers shall be revised after forced outage of a unit, only if the source of power for a particular transaction has clearly been indicated during short-term open access application and the said unit of that generating station goes under forced outage”

**OTPC remarks:**

It is understood that the revision time for STOA has also been changed from 4th Time block to 7th & 8th Time block. This removes the opportunity of one additional revision for generators in case of delay in restoration of plant.

It will affect generators adversely if unit restoration is delayed beyond anticipated time. The generators shall be prone to DSM penalties and will only dissuade generators to bring the plant back into operation at the earliest.

**It is hence prayed that the time for schedule revision for power (LTA/MTA/STA) may be retained as per prevailing IEGC regulations at 4 time blocks. The new time blocks (7<sup>th</sup> and 8<sup>th</sup>) for rescheduling may only be applied for RTM market.**

**Further, the provision of Additional Revision for generators may be retained due to uncertainties involved in restoration of plants and considering the wide range of exigencies that plants are prone to.**

- 3.** Regulation 6.5(A) of part 6 of the Principal Regulations Clause (c) shall be substituted as under:

“An ISGS may sell power from the share of its original beneficiaries in the day-ahead Market with the consent of such beneficiaries; and in the real-time market without the requirement of consent from the beneficiaries, before the trading for the real time market for a specified duration commences. In both the cases, the realized gains shall be shared between the ISGS and the concerned beneficiary in the ratio of 50:50 or as mutually agreed between the ISGS and concerned beneficiary in the billing of the following month. This gain shall be calculated as the difference between selling price of such power and fuel charge including incidental expenses.”

**OTPC remarks:**

An ISGS may sell power from the share of its original beneficiaries in the real-time market without the requirement of consent from the beneficiaries is a welcome step. It makes the beneficiaries to do their load forecasting better. This provision may even be extended to the sale of power in the Day-Ahead-Market for the benefit of the generators and for greater power availability in the Day Ahead Market.