

Annexure I

Comments on Central Electricity Regulatory Commission (Ancillary Service Operation) Regulation, 2015

Sr. No.	Clause	Proposed Text	Suggested Text	Rationale / Comments
1.	4.1	These regulations shall be applicable to Reserves Regulation Ancillary Services Provider and Regional Entities involved in the transactions facilitated through short-term open access or medium-term open access or long-term access in inter-State transmission of electricity.		<p>a. Commission may specify whether Generation Company</p> <ul style="list-style-type: none"> - will require prior permission from its original procurer to opt to become Reserves Regulation Ancillary Services Provider <p>OR</p> <ul style="list-style-type: none"> - Regulation will supersede the PPA and no explicit approval of Procurer is required. <p>b. Also Commission may specify whether Generation Company is required to opt for both Regulation Up & Regulation Down Services or it can choose either of it.</p>

2.	5.1	All Inter-State Generating Stations whose tariff is determined or adopted by the Commission and are operating on part load and which have not received full requisition shall be eligible to participate for providing the Reserves Regulation Ancillary Services.	All Inter-State Generating Stations whose tariff is determined or adopted by the Commission and are operating on part load and which have not received full requisition shall be eligible to participate for providing the Reserves Regulation Ancillary Services.	Inter-State Generating Stations who have received full requisition will be able to provide Regulation Down Services.
3.	6.1	Nodal Agency shall prepare merit order stack of un-requisitioned surplus capacities of Inter-State Generating Stations willing to participate in this mechanism based on the <u>variable cost of generation, Declared Capacity</u> and take despatch decision.		Commission may define variable cost of generation, Declared Capacity based on actual figures (for PPA u/s 62) / as per PPA tariff (for PPA u/s 63) Also refer point 4 given below
4.	6.2	Nodal agency shall prepare stack of un-requisitioned surplus capacities available of Inter-State Generating Stations from lower variable cost to higher generation cost in each time block.	Nodal agency shall prepare stack of un-requisitioned surplus capacities available of Inter-State Generating Stations from lower variable cost Total Charges (comprising fixed charge, variable charge & any other statutory charges as per the CERC regulations) to higher generation Total Charge cost in each	As per clause 13.3 of these regulations The Reserves Regulation Ancillary Services provider shall be paid at their fixed and variable charges, with mark-up as decided by the Commission for Regulation Up Services. As the payment will be at fixed and

			time block.	variable charges hence stacking should be based on total charges.
5.	7.1	The Reserves Regulation Ancillary Services Provider shall on monthly basis submit details of fixed charge, variable charge and any other statutory charges as per the CERC Regulations, to the Regional Power Committees.		Commission may define fixed charges and variable charges on actual figures (for PPA u/s 62) / as per PPA tariff (for PPA u/s 63).
6.	7.2	The Reserves Regulation Ancillary Services Provider shall inject or back down the generation as per the instruction of the Nodal Agency for Regulation Up and Regulation Down respectively.		Commission may specify priority of scheduling of power to Original Procurer/ For Ancillary Services.
7.	13.5	Sustained failure to provide the Regulation Reserves Services Provider (barring unit tripping) shall attract penalties on account of gaming. Violation of directions of RLDC for ancillary services shall also involve penalties in terms of section 29 of the Act.	Sustained failure to provide the Regulation Reserves Services Provider (barring unit tripping, Force Majeure Conditions & Conditions beyond control) shall attract penalties on account of gaming. Violation of directions of RLDC for ancillary services shall also involve penalties in terms of section 29 of the	Apart from unit tripping, Force Majeure Condition & Conditions beyond control should be included on occurrence of which services provider should be allowed not to serve without any penalty.

			Act.	
8.		Third Party Sale	Under the PPA u/s 63, such sale shall be construed as Third Party Sale. Currently, the SBD/ MBD provides for the Procurer to recall the un-dispatched power within 3 hours. The regulation should over-ride this provision to provide for recall of power no earlier than 2 days	This enable the implementation of this regulation for PPAs u/s 63 of the Act.