



Comments from The TATA Power Company Limited
on
“Forecasting, Scheduling & Imbalance Handling for Renewable Energy (RE)
Generating Stations based on wind and solar at Inter-State Level”

I. Proposed Mechanism against “Must Run” status granted to Renewable projects

The RE sources which are currently under Must Run category will probably have to back down in certain circumstances if the proposed mechanism is implemented. In order to avoid penalties the generator might have to backdown even when he can generate in order to stick to his schedule. RE sources considering their intermittent nature should not be subjected to any condition which leads to backing down. This is also against the spirit of promoting renewables in the country. It is our humble submission to the Commission to have a look at this aspect aswell

II. Operating Band of +/- 12%

Desired operating band +/-12% is very short. In the draft also it has been stated that deviations from schedule are bound to occur. Considering the fact that wind/solar energy generation is variable and intermittent, the above band should be kept as earlier implemented i.e. +/- 30% for initial few years till it gets fully implemented and the mechanism is settled. The band may be subsequently reduced in coming years.

III. Linkage of REC and RPO Obligation

At present REC mechanism is not settled and RECs to the tune of 1.1 Cr are awaiting to be traded in market. Linking RPO obligation of DISCOM with Generator will be additional burden to generator. It is recommended that to make this scheme successful, the life of the RECs needs revision, the Commission may consider keeping the validity of 1 REC as 5 years. This validity might be revised again once the market is settled and RPO compliance is enforced.

IV. Liability on RLDC for the forecast

As per the draft, the generator has the option of either using his own forecast or the one provided by RLDC. However, the draft does not provide for any liability on the RLDC in case the generator uses the forecast provided by RLDC and there are deviations.

Hence, it is recommended that the responsibility of forecasting should only be with the central agency, i.e. RLDC and all the generators would follow the forecast and provide their schedules. Penalties should only be applicable in the case where the generators have provided schedules which were not in line with the forecasts provided by RLDC.

V. Incentive in addition to RECs for generation above 112%

It is assumed that wind generators are selling power rate of RS. 5 / unit. In case of proposed excess generation of +12% the rate offered is Rs. 4 / unit and above 112% there is no incentive proposed. On the other hand there is penalty of Rs. 3 / unit for generation below 88%. It is recommended that the same rate shall be proposed for generation above 112% as incentive with additional REC's.

VI. Inclusion of additional cost of forecasting in the generic tariff

If the generators are doing the forecasting, then they would be bearing the cost of Forecasting, telemetry, SCADA, Communication facilities etc. All this has an impact on the capital cost. Hence, it is recommended that generic tariff determined by the Commission should be revised appropriately to recover this cost.

VII. Quarterly or monthly settlement of shortfalls through REC issued to Generators

As per the mechanism for short generation even for one time block in a day, the wind/solar generator need to purchase RECs from exchanges and give into the buyer account, and for excess generation in any time block, the generators shall be issued RECs. We request the Honorable Commission to set off/transfer the issued RECs from RE generator's account to buyer account firstly on Monthly/Quarterly basis .In in case of further short supply, the RE Generators shall procure RECs from Power Exchanges. This would help the Generator to clear off his RECs which have been issued to him during excess generation.

VIII. No band of deviation is allowed

The proposed mechanism is penalizing the generators, there is no band of deviation which has been allowed. As wind is in-firm in nature, there shall be deviations from actual schedule. The proposed mechanism gives a desired operating band of +/- 12%, but even within this band the generators are penalized. In the earlier mechanism a deviation of +/-30% was allowed to wind generators. All other charges were over and above the band of 30%, therefore we request the Honorable Commission to impose the DSM charges on deviations beyond the band and not within the band.

IX. Clarity on applicability of this mechanism on projects registered under REC mechanism

The framework talks about RPO and the obligation of generators to provide RECs to the procurers in case they deviate from the schedule. However the framework doesn't say anything on REC registered projects where RECs are owned by the generators and in that case they need not buy any RECs and give to the procurers if they are any deviations from the schedule simply because the power being bought is not treated as green power and cannot be claimed to meet RPO.

Hence, it is requested that the Commission may include this and bring more clarity for developers whose projects are under REC mechanism.