



MADHYA PRADESH POWER GENERATING COMPANY LIMITED

(A GOVERNMENT OF M.P. UNDERTAKING)

CIN-U40109MP2001SGC014882



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No. 07-12/CS-MPPGCL/CERC/DSM-4/1054

Jabalpur, Date: 02/08/2018

To,

✓ The Secretary

Central Electricity Regulatory Commission,
3rd & 4th Floor, Chandralok Building,
36, Janpath,
New Delhi – 110001.

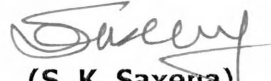
**Sub: Draft CERC (Deviation Settlement Mechanism and related matter)
(Fourth Amendment) Regulations. 2018 – MPPGCL's comments.**

Ref: Your Public Notice No. L-1/132/2013-CERC dated 29.06.2018.

As desired in the subject matter vide public Notice under reference, please find enclosed herewith the comments / Suggestions of MP Power Generating Company Limited as **Annexure** for kind consideration, please.

✓ **Encl:-** As above.

✓ Adv (For)
Sh. Hemant


(S. K. Saxena)
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MPPGCL's Comments on CERC's Draft 4th Amendments to DSM & Related Matters Regulations, 2018

Para No., Page No.	Consultation Paper	MPPGCL's Submission/Comments
Point No. 3.1, Page 2 & 3	<p>The table along with the note in parenthesis below the table in clause (1) of Regulation 5 of the Principal Regulations shall be substituted by the following</p> <ul style="list-style-type: none"> vi. Deviation price shall be rounded off to nearest two decimal places." 	<p>In general, the ACP shall be much higher than Rs. 1.78 (Present DSM rate corresponding to Frequency 50.0 Hz) and therefore the impact of proposed regulation will have additional commercial impact on generators.</p> <p>The proposed methodology of linking of Charges for deviation with Day Ahead market price appears to be incorrect as two inter-dependent variables are being used, in place of FIRM DSM rate at a particular frequency. Therefore the prevailing DSM charges in the existing regulations may please be continued.</p>
Para No. 4.4, Page 5	<p>After the existing proviso to clause (1) of Regulation 7 of the Principal Regulations, a new proviso shall be added as under:</p> <p>"Provided also that the total deviation from schedule in energy terms during a day shall not be in excess of 3% of the total schedule for the drawee entities and 1% for the generators and additional charge of 20% of the daily base DSM payable / receivable shall be applicable in case of said violation."</p>	<p>The total deviation from schedule for the generators should be increased from 1% to 3%, similar as proposed for drawee entities.</p> <p>Further, the additional surcharge proposed of 20% of the daily base DSM payable / receivable shall be reduced to, initially at base value of 5 % and gradually increased in steps to 20% on later on.</p> <p>Suitable consideration should also be given on account of impact of change in generation due to RGMO /FGMO and AGC action on generator as per CERC order.</p>

MPPGCL's Comments on CERC's Draft 4th Amendments to DSM & Related Matters Regulations, 2018

<p>Para No. 4.11, Page 6</p>	<p>4.11 In Table-II in clause (3) of Regulation 7 of the Principal Regulations, the words "Cap Rate for Deviation of 303.04 Paise / kWh" wherever they are appearing, shall be substituted by the words "Cap Rate being equivalent to the energy charges as billed for the previous month".</p>	<p>The "Cap Rate being equivalent to the energy charges as billed for the previous month" shall vary for generator to generator. The very purpose of capping is lost as the same was derived for the fuel coinciding with the Energy charges on imported coal on deviation price vector. It should be universal to all generators.</p>
<p>Para No. 4.19, Page 7</p>	<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, such regional entity (buyer or seller) shall have to make sign of their deviation from schedule changed, at least once, after every 6 time blocks. To illustrate, if a regional entity has positive deviation from schedule from 07.30 hrs to 09.00 hrs, sign of its deviation from schedule shall be changed in the 7th time block i.e. 09.00 hrs to 09.15 hrs from positive to negative or negative to positive as the case may be.</p> <p>Provided that violation of the requirement under this clause shall attract an additional surcharge of 20% on the daily base DSM payable / receivable as the case may be."</p>	<p>MPPGCL submits that the prevailing 12 time block for sign change needs to be continued in place of proposed 6 time blocks.</p> <p>The proposed additional surcharges of 20 % on the daily base DSM payable / receivable levied for violation needs to be reduced to say 5 % and then gradually increased in steps to 20% later on.</p> <p>Suitable consideration should also be given on account of impact of change in generation due to RGMO /FGMO and AGC.</p>
