



एनएलसी इंडिया लिमिटेड

(भारत सरकार का 'नवरत्न' उद्यम)

NLC INDIA LIMITED

(A 'NAVRATNA' Govt. of India Enterprise)

कार्यपालक निदेशक / वाणिज्यिक का कार्यालय
OFFICE OF THE EXECUTIVE DIRECTOR / COMMERCIAL



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Lr.No.ED/Commercial/F-1131/DSM 5th Amendment/comments/2019

Dt:17.05.2019

To

**The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th floor, Chanderlok Building,
36, JanpathMarg,
NEW DELHI - 110 001**

Sir,

Sub: CERC –Draft CERC (Deviation settlement mechanism and related matters)
(fifth Amendment) Regulations 2019 - NLCIL comments -submitted - Reg.

Ref: Notification No.L-1/132/2013-CERC dt.18.04.2019.

Pursuant to the notification under ref.cited regarding Draft CERC (Deviation settlement mechanism and related matters) (fifth Amendment) Regulations 2019 in CERC website, inviting comments / suggestions of the stakeholders, the comments of NLCIL is submitted vide Annexure enclosed.

The above may please be taken on record.

Thanking you,

Yours faithfully,
for NLC India Limited


Executive Director / Commercial

Encl : As above

Annexure

1 Draft Amendment

A. Para 4.5 says that: Clause (10) of Regulation 7 of the Principal Regulations shall be substituted as under:

(10) In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such entity shall correct its position in the manner as specified under clauses (a) and (b) of this Regulation.

(a) Up to 31.03.2020, if the sustained deviation from schedule continues for 12 time blocks, the regional entity (buyer or seller), shall correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 13th time block.

Provided that each violation of the requirement under this clause shall attract an additional charge of 10% on the time block DSM payable / receivable as the case may be.

(b) From 01.04.2020, if the sustained deviation from schedule continues for 6 time blocks, the regional entity (buyer or seller), shall correct its position, by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 7th time block.

Provided that violation of the requirement under this clause shall attract an additional charge as specified in the table below:

No. of violations in a Day	Additional Charge Payable
<i>From first to fifth violation</i>	<i>For each violation, an additional charge @ 3% of daily base DSM payable /receivable</i>
<i>From sixth to tenth violation</i>	<i>For each violation, an additional charge @ 5% of daily base DSM payable / receivable</i>
<i>From eleventh violation onwards</i>	<i>For each violation, an additional charge @ 10% of daily base DSM payable /receivable</i>

Provided further that counting of number of sign change violations under clauses (a) & (b) of this Regulation shall start afresh at 00.00 Hrs. for each day.

Provided also that payment of additional charge for failure to adhere to sign change requirement as specified under clauses (a) & (b) of this regulation shall



not be applicable to:

- a. renewable energy generators which are regional entities
- b. run of river projects without pondage
- c. any infirm injection of power by a generating station prior to CoD of a unit during testing and commissioning activities, in accordance with the Connectivity Regulations.
- d. any drawal of power by a generating station for the start-up activities of a unit.
- e. any inter-regional deviations.
- f. forced outage of a generating station in case of collective transactions on Power Exchanges.

Explanation:- For the purpose of this Regulation, sustained deviation means continuous deviation outside the range of +/- 10 MW from schedule, such range being a subset of the volume limit as specified in Regulation 7(1) & 7(2)). In other words, if the deviation is brought within the range of +/- 10MW or it remains within the range of +/- 10MW, it will not be considered as sustained deviation.

Illustrations:-

i. *Illustration to 7(10)(a):-,*

a regional entity having a sustained deviation from time blocks t1 to t12, should correct its position either by changing the sign of its deviation (from positive to negative or negative to positive as the case may be) or come back in the range of +/- 10 MW with reference to its schedule latest by the end of time block t13. In case, such sign change does not take place or it fails to come back in the range of +/- 10 MW by the end of time block t13, but such correction of position takes place from time block t14 up to time block t24, then the additional charge shall be levied equivalent to one violation. The above violation shall attract an additional charge at the rate of 10% of the time block DSM for t13. Further, in case, sign change does not take place or it fails to come back to the range as aforesaid even latest by the end of t25, but correction of position takes place from time block t26 up to time block t36, then the additional charge shall be levied equivalent to two violations. The above violation shall attract an additional charge at the rate of 10% of the time block DSM for t13 & t25 , and so on.

ii. *Illustration to 7(10)(b):-,*

After 01.04.2020, if a regional entity having a sustained deviation from time blocks t1 to t7, should correct its position either by changing the sign of its deviation (from positive to negative or negative to positive as the case may be) or come back in the range of +/- 10 MW with reference to its schedule latest by the end of time block t7. In case, such sign change does not take place or it fails to come back in the aforesaid range by the end of time block t7, but such correction of position takes place from time block t8 up to time block t12, then additional charge shall be levied equivalent to one violation. Further, in case, sign change does not take place or it fails to come back in the range as aforesaid latest by the end of t13, but correction in position takes place from time block t14 up to time block t18, then the additional charge shall be levied for two violations and so on

The additional charge shall be at the rate as specified in clause (b) of this Regulation.

2 NLCIL Comments

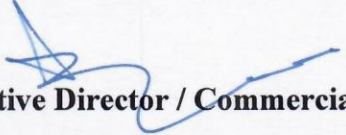
- 2.1 The problems in accommodating the sign change after every 6 blocks will still be faced.
- 2.2 With the high frequency predominant now a days, the sign change from negative to positive will result in additional penalties to the Generators.
- 2.3 Aged plants will incur heavy losses due to various constraints in meeting the sign change after every 6 blocks. This may please be taken into consideration.
- 2.4 During sudden tripping of the units due to external & internal disturbances, the revised DC would be implemented as per IEGC regulations from fourth time block and till the revised DC/Schedule is implemented, the injection of electricity by the generators would be lesser than the schedule.
- 2.5 The only possible corrective action that can be done by the generators is revision of DC and no other alternative is available to match the injection with the schedule.
- 2.6 Similarly, during partial outage of unit also, till revision communicated by the generators is implemented, the injection could not be matched with the schedule.
- 2.7 In the above scenario, generators will be forced to pay additional charge for under injection and 10% of daily base DSM for sign change violation.
- 2.8 Appreciating the difficulties in adhering to the sign change regulations, Commission has modified and extended the duration for sign change to Twelve Time blocks. The drawal schedules of the Discoms are in their control and matching their schedule with the demand in the grid by requisitioning and surrendering their share in ISGS, controlling their internal generation and going for load shedding is possible for Discoms.
- 2.9 But, in the case of ISGS Generators, based on the Availability declared by the Generators, the schedules are computed based on Beneficiaries requisition and also based on revisions given by various Beneficiaries which results in continuous changes in the schedule. Further, the schedule of the Generators are subject to frequent changes with the introduction of RRAS up / Down regulations done by



NLDC. In addition, the latest introduction of Security Constrained Economic Dispatch results in dynamic changes in the generation schedule and it will be known to the Generators only one block in advance.

2.10 In the above scenario, it is very difficult to plan and ensure sign change as per regulations. Considering above facts, it is requested that Generators may be exempted from sign change regulations.

2.11 This draft amendment is issued by Hon'ble CERC considering the difficulties expressed by the Constituents. But, the present draft amendment in the regulations may lead to huge revenue losses instead of rescuing the Generators from their difficulties. It is hence requested that Hon'ble Commission may consider for retrospective revision of the DSM accounts issued by Regional Power Committees based on the proposed amendments to be issued by the commission.


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