



उत्तर प्रदेश पावर कारपोरेशन लिमिटेड

(उ० प्र० सरकार का उपक्रम)

U.P. POWER CORPORATION LIMITED

(Govt. of Uttar Pradesh Undertaking)

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Dated: 03 May, 2019

The Secretary,
Central Electricity Regulatory Commission,
Chanderlok Building, 36, Janpath,
New Delhi- 110 001

Subject: Regarding filing of comments on CERC Draft (Deviation Settlement Mechanism and related matters)(Fifth Amendment) Regulations, 2019 for issues pertaining to UPPCL.


Sir,

Please refer Hon'ble Central Electricity Regulatory Commission's public notice No. L-1/132/2013-CERC Dt. 18.04.2019 vide which the Commission has invited comments/suggestions/objections from the stakeholders and interested persons on the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters)(Fifth Amendment) Regulations,2019 by 17.05.2019.

With regard to the same, comments of U.P. Power Corporation Ltd./State owned U.P Discoms is hereby annexed for kind consideration of the Commission.

Encl: As above (03 copies)

Yours faithfully,


(Niraj Agrawal)
Chief Engineer (RAU)

Comments on Draft DSM (Fifth Amendment) Regulations, 2019

CERC has come up its Draft DSM (Fifth Amendment) Regulations, 2019. The issues pertaining to UPPCL and comments on them for the benefit of UPPCL are as under.

The draft regulation at point 4.5 states as follows:

Clause (10) of Regulation 7 of the Principal Regulations shall be substituted as under:

"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."

Issue No. 1 - To avoid implication of DSM, Discoms are required to sign change after 12 time blocks upto 31.3.2020 and after 6 time blocks from 1.4.2020.

Discoms are catering to the different segments of consumers all across their distribution area. For serving them the distribution network of huge number of 33/11 kv substations, large network of distribution lines and several transformers are maintained by Discoms. They also have to put their best efforts to keep the 24x7 supply to all segments of the consumers which is a commitment towards the people of the State. In a sign change regime, after certain time blocks, Discoms will necessarily require to change their situation from overdrawl condition to underdrawl condition and vice versa which may severely affect their commitment as this would require load shedding which is against the 24x7 supply promise. It is also difficult to apply to the substation levels as frequent closing and opening of 33kv or 11kv feeders would technically harm the distribution system. The alternative to maintain 24x7 supply with sign change can be done by



managing it from generation side but frequently ramping up and ramping down of generating plant would technically impair the life of the plant. Also UP doesn't have sufficient Hydro Capacity to utilize for sign reversal in case of emergent conditions. Hence, to keep up the promises of 24x7 and to ensure better services to consumer, it is proposed that Discom's should be exempted from mandatory sign change.

Issue No. 2 - 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. ❗

In this issue, it does not seem logical that without taking into account the size of requirement of the entity, the limit has been fixed. There will be large difference in the requirement of State like Uttar Pradesh and comparatively smaller States like Uttarakhand. Had it been fixed on the basis of percentage of requirement, it would have been prudent. Also, it is imperative to note that the range of +/- 10 MW is meager considering the permissible error of SCADA and RTU. For a State like U.P. which has schedule in thousands of MW, with the limitation of such error of SCADA-RTU, the range of +/- 10 MW is undetectable too. Hence, it is proposed that the limit should be allowed in the range of +/- 1 % with reference to its schedule.

Additional Submission –

The system frequency is required to be maintained at 50.0 Hz hence the penal provisions have been made so that the Grid security can be assured. In the Principal Regulation, 2014, between average frequency of time block 50 Hz and 50.01 Hz the charges for deviation were 178.00 paise/kwh and between 49.99 Hz and 50.00 Hz the charges were 198.84 paise/kwh. In this regulation average frequency band was considered between 50.05 Hz and 49.70 Hz. Subsequently, in the fourth amendment, average frequency band was reduced to a range between 50.05 Hz and 49.85 Hz. In this regulation, between average frequency of time block 50 Hz and 50.01 Hz, the charges for deviation have been linked equivalent to Daily (simple) average Area Clearing Price discovered in the Day Ahead Market segment of power exchange, which generally runs more than 300 paise/kwh. It can not be denied that for any regional entity, it is not possible to exactly maintain the drawl as per the schedule although it can best possible maintain the drawl close to it. For a State like U.P. which has a drawl of



more than 10000 MW, this increase in deviation charges amount matter a lot. In a situation when State like U.P. puts all out effort to maintain average frequency of time block between 50 Hz and 50.01 Hz, burdening it with increased amount of deviation charges are against the natural justice and also because it will ultimately be passed on to consumer. Hence it is requested that to avoid such increase in the deviation charges in the frequency band of 50 Hz and 50.01 Hz, Daily (simple) average Area Clearing Price discovered in the Day Ahead Market segment of power exchange should be linked at frequency band of 49.95 Hz and 49.96 Hz so that the deviation charges in the frequency band of 50 Hz and 50.01 Hz may not increase much in comparison to earlier rate of 178.00 paise/kwh.

