

1st October 2021

To,

Sh. Sanoj Kumar Jha

The Secretary

Central Electricity Regulatory Commission (CERC)

3rd & 4th Chanderlok Building, 36, Janpath Rd,

New Delhi-110001

E-mail: secy@cercind.gov.in

Subject: Submission of Comments on Draft Deviation Settlement Mechanism & Related Matters Regulations, 2021

Dear Sir,

Right at the outset, we wish to introduce our-self as part of LNJ Bhilwara Group. Our group company M/s Bhilwara Energy Limited is the flagship company of the LNJ Bhilwara Group in power sector. Bhilwara Energy Ltd. is having operations of 34 MW Wind Power projects, out of which 14 MW is at Maharashtra & 20 MW Wind Project is under 100% SPV namely BG Wind Power Ltd. in Rajasthan. Apart from wind power, Bhilwara Energy Ltd. has also developed and operating a total of 278 MW hydro power generation capacity through its subsidiary company Malana Power Company Ltd. (MPCL) which is 86 MW Malana-I Hydro electric power Plant and 192 MW Allain Duhangan Hydro electric power plant through its step down subsidiary company A D Hydro Power Limited (ADHPL) in District Kullu, Himachal Pradesh. Malana-I HEP was the first IPP having no PPA which was commissioned in July 2001 in a record time of 30 months. Allain Duhangan HEP is also a hydro power plant without PPA which was commissioned in September 2010 by joining the two tributaries of Beas river in snow bound zone at an elevation of app. 2800 meter. Both the plants are state of an art plant and has been successfully operating since commissioning.

AD Hydro Power Limited

Corporate Office :
Bhilwara Towers, A-12, Sector-1
Noida - 201 301 (NCR-Delhi), India
Tel: +91 120 4390300 (EPABX)
Fax: +91 120 4277841
Website: www.adhydropower.com
GSTIN: 09AAECA6200D1Z8

Site & Regd. Office :
Prini, Tehsil Manali
Distt. Kullu - 175 143 (H.P.), India
Tel: +91 1902 250183-84, 253171 (EPABX)
Fax: +91 1902 251798
Website: www.lnjbhilwara.com
GSTIN: 02AAECA6200D1ZM

Corporate Identification Number: U40101HP2003PLC026108

Page 1 of 4



As a generating company, it will always be our endeavor to promote and support growth and development of power scenario in the country. In view the above and the Draft Deviation Settlement Mechanism & Related Matters Regulations, 2021 issued by Hon'ble CERC dated 7th September 2021, we have attached our comments and suggestions on the proposed draft DSM Regulations,2021 as Annexure -I. We hope that you would consider our submissions while finalizing the same.

Thanking you

Yours faithfully

For AD HYDRO POWER LIMITED



Anil Kumar Garg

General Manager – Business Development

Mobile: 9910796444



Comments on Draft Deviation Settlement Mechanism & Related Matters Regulations, 2021

1. Rationale for Run of River project

In Clause 3-1-v of the draft regulations the Run-of-River generating station are defined as:

“Run-of-River Generating Station or R-o-R generating station means a hydro generating station which does not have upstream pondage”

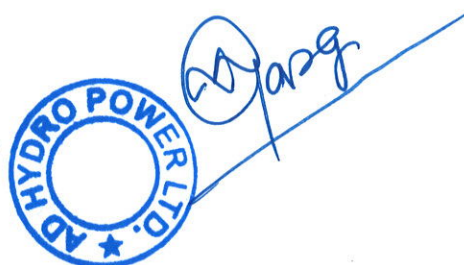
Comments/Suggestions:

There are situations when hydro generating station (scheduling on Short term open access i.e. without having any right to revision in schedule) having small pondage operating in cascade with another upstream hydro station (scheduling on long term open access i.e. having right to revision in schedule). In such a case, the effect of pondage with respect to Deviation Settlement Mechanism is insignificant, as the generation pattern of upstream project completely governs the actual generation of downstream project and therefore deviation from schedule become inevitable for the down-stream project.

Therefore, we request to the Hon'ble commission either to modify the definition of Run-of-River generating station and also include the hydro projects with small pondage (of about 3 hours) as Run-Of-River generating stations or to introduce a separate section on cascade projects having an immediate downstream project wherein deviation upto 12% (under injection) may be charged at normal deviation rate which would help to resolve the scheduling issues faced by such immediate downstream hydro projects operating in cascade.

2. In the clause 8-(1) of the draft regulations over injection and under injection are to be dealt in the following manner:

Seller	Deviation by way of over injection	Deviation by way of under injection
<i>For a general seller other than an RoR generating station or a generating station based on municipal solid waste</i>	<i>(i) Zero up to 2% Deviation-general seller (in %); (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %)</i>	<i>(i) @ normal rate of charges for deviation up to 2% Deviation-general seller (in %); (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %).</i>



Comment/Suggestion: It is understood that any over-injection of power by a generating station beyond 2% cap would be penalized and no amount would be payable by Deviation & Ancillary Pool Account on account of over generation to the seller.

If the above understanding is correct then, it is unfair to penalize the generating units especially hydro units (with small pondage) for over-generation beyond 2% while on the contrary such amount for any such over-injection within permissible limits should be paid to the seller. There are conditions wherein generating stations having their own dedicated transmission line in which the transmission line losses keeps on varying depending upon load (of other participating entities) and ambient conditions, therefore the actual and schedule generation are bound to mismatch. Moreover, during over-generation of power even for very short period of time, generator would be heavily penalized. By the inherent virtue of operation in hydro plants the actual generation solely depends upon the actual available discharge in real time and penalizing any such over-generation due to factors which are not in the control of hydro generators would not be logical.

Therefore, we request the Hon'ble commission to review the aforesaid clauses considering the operational difficulties of hydro generators which are catering the needs of Short Term Open Access Market wherein real time revisions are not allowed.

Further, we also sincerely request the Hon'ble Commission to enhance the overload capacity limit to 20% over generation (for hydro units) subject to machine meeting this technical requirement, which is currently capped at 10% under Clause 5.2(h) of Indian Electricity Grid Code Regulations 2010 and its amendments.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "A. HYDRO POWER LTD." around the perimeter and a small star at the bottom. A diagonal line is drawn across the signature and the stamp.