

Comments on Draft DSM regulations, 2021 by Adhunik Power and Natural Resources Limited (APNRL)

The objective of the proposed Regulations, as may be inferred from the Preamble, Regulation 2 and Regulation 5(1), is to stop all regional entities from deviating from their schedules 'in the interest of reliability, security and stability of the grid', and this is proposed to be done through deployment of a commercial mechanism. Following are the comments of APNRL on proposed DSM regulations, 2021.

S.N	Draft DSM regulations, 2021	Comments
1	Provided that for a period of one year from the date of effect of these regulations or such further period as may be notified by the Commission, the normal rate of charges for deviation for a time block shall be equal to the highest of [the weighted average ACP of the Day Ahead Market segments of all the Power Exchanges; or the weighted average ACP of the Real Time Market segments of all the Power Exchanges; or the Weighted Average Ancillary Service Charge of all the regions] for that time block:	APNRL submits that there is uncertainty in deviations charges. The weighted average ancillary service charges of all the regions are not defined in the draft regulation. Therefore, more clarity is required on this aspect.
2	'Deviation' in a time block for a seller of electricity means its total actual injection minus its total scheduled generation including the schedule for Ancillary Services ; and for a buyer of electricity means its total actual drawal minus its total scheduled drawal including the schedule for Ancillary Services, and shall be computed as per Regulation 6 of these regulations;	Schedule of Ancillary services is indeterminate in nature which may lead to ambiguous deviation charges. It is submitted that predefined charges needs to be provided.
3	The normal rate of charges for deviation for a time block shall be equal to the Weighted Average Ancillary Service Charge (in paise/kWh) computed based on the total quantum of Ancillary Services deployed and the total charges payable to the	More clarity is required on calculations of Weighted Average Ancillary Service Charges.

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	Ancillary Service Providers for all the Regions for that time block.							
4	<p>Charges for deviation in a time block by a seller shall be payable by such seller as under:</p> <table border="1" data-bbox="317 509 1098 1187"> <thead> <tr> <th data-bbox="317 509 577 618">Seller</th> <th data-bbox="577 509 837 618">Deviation by way of over injection</th> <th data-bbox="837 509 1098 618">Deviation by way of under injection</th> </tr> </thead> <tbody> <tr> <td data-bbox="317 618 577 1187">For a general seller other than an RoR generating station or a generating station based on municipal solid waste</td> <td data-bbox="577 618 837 1187">(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 %)</td> <td data-bbox="837 618 1098 1187">(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 %).</td> </tr> </tbody> </table>	Seller	Deviation by way of over injection	Deviation by way of under injection	For a general seller other than an RoR generating station or a generating station based on municipal solid waste	(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) @ 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 %).	<p>It is submitted that during under injection, normal rate of charges should be applicable for all the deviation. The rate of deviation is linked with Ancillary services which uncertain therefore, 110% of normal rate for deviation beyond 2% may have huge financial impact on sellers.</p> <p>Suggested inclusion: In case of Forced outage of a power plant, the DSM charges should be 50% of normal deviation rate up to 6th time block from declaration of the force outage by the generator and thereafter same as normal deviation charges.</p>
Seller	Deviation by way of over injection	Deviation by way of under injection						
For a general seller other than an RoR generating station or a generating station based on municipal solid waste	(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) @ 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 %).						
5	<p>Schedule of Payment of charges for deviation The payment of charges for deviation shall have a high priority and the concerned regional entity shall pay the due amounts within 7 (seven) days of the issue of statement of charges for deviation by the</p>	<p>The payment for deviation charges is to be relaxed upto 30 days as thermal power stations face significant delay in payments from discoms. Therefore, such relaxation will help the generating companies to overcome from its precarious financial</p>						

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	Regional Power Committee, failing which late payment surcharge @0.04% shall be payable for each day of delay.	health conditions.