



**BSES Rajdhani Power Limited**

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22-Oct-21

To,

The Secretary  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building,  
36, Janpath, New Delhi 110001

**Subject:** *Comments / suggestions on draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021*

**Ref.:** *Hon'ble Commission's Public Notice No. L-1/260/2021/CERC dated 08.10.2021*

Respected Sir,

In reference to the above mentioned Order of the Hon'ble Commission seeking comments/ suggestions on draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021. We would like to submit the Comments attached as **Annex-1**.

We hope the Hon'ble Commission will consider the same while finalizing the Regulations.

Thanking you,  
Yours faithfully,  
For BSES Rajdhani Power Limited

Rajul Agarwal  
(Head Regulatory)  
Encl: As above.

Draft Regulations	Comments/Rationale	Proposed Regulations
<p><b>1. SHORT TITLE AND COMMENTS</b>                      (1) These regulations may be called the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021.                      (2) These regulations shall come into force on such date as may be notified by the Commission separately.</p>	<ul style="list-style-type: none"> <li>Modalities of Ancillary Service Charges as well as rate discovery is still unknown. Hon'ble Commission had issued Draft (Ancillary Services) Regulations, 2021 on 29.05.2021, which is pending finalization. The issue of deviation as well as charges for deviation which are being considered in the present Regulations would have to be aligned with the Final ancillary Regulations.</li> <li>In view of the above, it is suggested that the Final Deviation Regulations may be effective after six months or one year from the date of notification of the Final Ancillary Services Regulations so that the entities as well as the Distribution licensees would be able to plan and coordinate in a better manner. Until and unless the entities are able to understand the nuances of the working of the Ancillary Services the present Regulations ought to be kept in abeyance.</li> </ul>	
<p><b>3. DEFINITIONS AND INTERPRETATION</b>                      (1) In these regulations, unless the context otherwise requires, -                      ...                      (h) 'Buyer' means a person purchasing electricity through a transaction scheduled in accordance with the Grid Code.                      ....</p>	<ul style="list-style-type: none"> <li>Regulation 4 of the draft Regulations indicate that this is valid for all regional entities.</li> <li>In terms of Regulation 3(s) 'Regional Entity' means a person whose metering and energy accounting are done at the regional level by Regional Load Despatch Centre.</li> <li>Further, Buyer is defined under Regulation 3(h) as a person purchasing electricity through a transaction scheduled in accordance with the Grid Code.</li> <li>Table 2 specifies that any buyer who schedules power in excess of 400 MWs will have revised deviation limits.</li> <li>As such, it needs to be clarified whether buyer would include a Distribution Licensee or the State Load Despatch Centre?</li> </ul>	<p><b>Proposed Regulation 3(h):</b>                      'Buyer' means a person purchasing electricity through a transaction scheduled in accordance with the Grid Code including a Distribution Licensee as defined under the Electricity Act, 2003.</p>
<p><b>4. SCOPE</b>                      These regulations shall be applicable to all grid connected regional entities and other entities engaged in inter-State purchase and sale of electricity.</p>		<p><b>Proposed Regulation 4:</b>                      These regulations shall be applicable to all grid</p>

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<p><b>7. NORMAL RATE OF CHARGES FOR DEVIATIONS</b></p> <p>(1) 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 Ancillary Service Providers for all the Regions for that time block.</p> <p>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:</p> <p>Provided further that in case of non-availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered:</p> <p>(2) The normal rate of charges for deviation shall be rounded off to the nearest two decimal places.</p>	<p>Rate for deviation is now being linked and made equal to Weighted Average Ancillary Service charges. However, the Regulations with respect to Ancillary Services are pending Finalization as on date. The Draft for the said Regulations was issued on 29.05.2021. As such, until and unless the prescription of Ancillary Services is finalized, the present Regulations ought to be kept in abeyance.</p> <p>Therefore, it is suggested that the Regulations may be made effective after one year from the date of notification of the Final CERC Ancillary Services Regulations so that better planning and coordination may be done at the end of the Distribution Licensees.</p> <p>In the alternative, for the first year the rate of deviation be kept minimum of weighted average ACP of DAM, RTM and ancillary market. As per current situation the rates are touching ceiling prices and in future such situations should be avoided.</p>	<p>connected regional entities and other entities engaged in inter-State purchase and sale of electricity including a Distribution Licensee as defined under the Electricity Act, 2003.</p>

Draft Regulations	Comments/Rationale	Proposed Regulations												
<p><b>8. CHARGES FOR DEVIATION</b></p> <p>Charges for deviation in a time block by a buyer shall be payable by such buyer as under:</p> <table border="1" data-bbox="351 176 1021 1836"> <thead> <tr> <th data-bbox="351 176 399 353">Entity</th> <th data-bbox="351 353 399 492">Charges for Ancillary Service Pool Account</th> <th data-bbox="351 492 399 694">Deviation by way of under drawal</th> </tr> </thead> <tbody> <tr> <td data-bbox="399 176 494 353">Buyer (other than the buyer with schedule less than 400 MW and the RErich State)</td> <td data-bbox="399 353 494 492"></td> <td data-bbox="399 492 494 694">Zero</td> </tr> <tr> <td data-bbox="494 176 590 353">Buyer (with schedule up to 400 MW)</td> <td data-bbox="494 353 590 492"></td> <td data-bbox="494 492 590 694">Zero</td> </tr> <tr> <td data-bbox="590 176 686 353">Buyer (being an RE Rich State)</td> <td data-bbox="590 353 686 492"></td> <td data-bbox="590 492 686 694">Zero</td> </tr> </tbody> </table>	Entity	Charges for Ancillary Service Pool Account	Deviation by way of under drawal	Buyer (other than the buyer with schedule less than 400 MW and the RErich State)		Zero	Buyer (with schedule up to 400 MW)		Zero	Buyer (being an RE Rich State)		Zero	<ul style="list-style-type: none"> <li>The Hon'ble Commission may kindly clarify if buyer would include a Distribution Licensee as per the comments to Regulation 3(1)(h) and 4 herein above.</li> <li>BYPL welcomes the step of removal of penalties in case of Under drawal. However, the Hon'ble Commission has also removed the amount receivable by the Discoms in case of Discoms adhering to the Under drawal limit.</li> <li>Further, there is need for capping the deviation in case of under draw i.e same as in case of over drawal (up to 12%)</li> </ul>	
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<p><b>10. SCHEDULE OF PAYMENT OF CHARGES FOR DEVIATION</b></p>	<p>CERC (Terms &amp; Condition of Tariff) Regulation, 2019 has provided as under:</p>	<p>It is requested that the due date be revised</p>												

Draft Regulations	Comments/Rationale	Proposed Regulations
<p>(1) 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 Regional Power Committee, failing which late payment surcharge @0.04% shall be payable for each day of delay.</p> <p>(2) Any regional entity which at any time during the previous financial year fails to make payment of charges for deviation within the time specified in these regulations, shall be required to open a Letter of Credit (LC) equal to 110% of their average payable weekly liability for deviations in the previous financial year in favour of the concerned Regional Load Despatch Centre within a fortnight from the start of the current financial year.</p> <p>(3) In case of failure to pay into the Deviation and Ancillary Service Pool Account within 7 (seven) days from the date of issue of statement of charges for deviation, the Regional Load Despatch Centre shall be entitled to encash the LC of the concerned regional entity to the extent of the default and the concerned regional entity shall recoup the LC amount within 3 days.</p>	<p>58. Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1.50% shall be allowed.</p> <p>Explanation: In case of computation of ' 5 days ', the number of days shall be counted consecutively without considering any holiday. However, in case the last day or 5<sup>th</sup> day is official holiday, the 5<sup>th</sup> day for the purpose of Rebate shall be construed as the immediate succeeding working day (as per the official State Government's calendar, where the Office of the Authorised Signatory or Representative of the Beneficiary, for the purpose of receipt or acknowledgement of Bill is situated).</p> <p><b>(2) Where payments are made on any day after 5 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.</b></p> <p>Accordingly, it is requested that the due date be revised from seven (7) days to Thirty (30) days.</p>	<p>from seven (7) days to Thirty (30) days.</p> <p>(1) The payment of charges for deviation shall have a high priority and the concerned regional entity shall pay the due amounts within 30 (Thirty) days of the issue of statement of charges for deviation by the Regional Power Committee.....</p> <p>(3) In case of failure to pay into the Deviation and Ancillary Service Pool Account within 30 (Thirty) days from the date of issue of statement of charges for deviation....</p> <p>Further rebate to be provided as per CERC (Terms &amp; Condition of Tariff) Regulation, 2019.</p>