



**CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED**  
*(Formerly known as Continuum Wind Energy (India) Private Limited)*

To,  
The Secretary,  
Central Electricity Regulatory Commission  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building, 36, Janpath,  
New Delhi – 110001

Date: - 08/10/2021

Subject: Comments and Suggestions in the matter of “Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021”.

Respected Sir,

We are thankful to the Hon’ble Central Electricity Regulatory Commission for providing an opportunity for us to share our suggestions and comments on the Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021. Please find our comments in Annexure A.

We request the Hon’ble Central Electricity Regulatory Commission to kindly consider our submissions, as may be considered appropriate by the Commission.

Yours Sincerely,

For Continuum Green Energy (India) Pvt. Ltd.

Authorized Signatory

**Annexure A**

**Comments on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021**

Sr.No	Reference Clause	Existing Clause	Clauses suggested by Continuum Green Energy (India) Private Limited	Rationale
1	7(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>We would like to request you to substitute the aforesaid clause in the Draft CERC DSM Regulations 2021 with the following new clause,</p> <p>The normal rate of charges for deviation for a time block shall be equal to the Weighted Average Ancillary Service Charge (in paise/kWh) <b>shall be</b> 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 and <b>subject to a maximum capping in (Rs./Kwh) of Weighted Average Ancillary Service Charge defined by appropriate commission in advance from time to time.</b></p>	<p>As defined in the draft regulation, the normal rate of charges for deviation for a time block shall be equal to the Weighted Average Ancillary Service Charge which shall be volatile in nature as the said Ancillary Service Charge will depend upon Secondary Reserve Ancillary Service and Tertiary Reserves Ancillary Services (TRAS) which are mentioned in the Draft (Ancillary Services) Regulations, 2021, The same is reproduced below,</p> <p><b>“9. Procurement of SRAS</b></p> <p><i>“(1) SRAS shall be procured on regional basis by the Nodal Agency through the mechanism as specified in this Regulation:</i></p> <p><i>Provided that the Commission, based on review of the operation of SRAS, may direct procurement of SRAS through market-based bidding mechanism to be specified separately.....</i></p> <p><b>10. Selection of SRAS Providers and Despatch of SRAS</b></p> <p><i>(1) SRAS Provider shall be selected on regional basis by the Nodal Agency for providing SRAS-Up or SRAS-Down based on the Custom Participation Factor.</i></p> <p><i>(2) The Custom Participation Factor for each SRAS Provider shall be determined by the Nodal Agency based on the following criteria:</i></p> <p><i>(a) Rate Participation Factor (Ramping capability in MW/min); and</i></p> <p><i>(b) Cost Factor (variable charge or compensation charge, as the case may be).</i></p>

				<p><i>(3) The Custom Participation Factor for SRAS-Up shall be directly proportional to the normalised Rate Participation Factor and inversely proportional to the normalised Cost Factor. The Custom Participation Factor for SRAS-Down shall be directly proportional to the product of the normalised Rate Participation Factor and normalised Cost Factor.</i></p> <p><i>(4) Based on the above principle, Custom Participation Factor shall be calculated which shall be normalised to determine the participation of each SRAS Provider. .... ”</i></p> <p><b>“16. Procurement of TRAS</b></p> <p><b>(1) Buy Bid: The Nodal</b> ..... .....</p> <p><i>(4) The power exchanges shall collect the bids for TRAS-Up and TRAS-Down and share the same with the Nodal agency for price discovery in terms of Regulation 17 of these regulations.</i></p> <p><i>(5) TRAS Provider cleared in the Day Ahead Market may place incremental bids in the Real Time Market. TRAS Provider not cleared in the Day Ahead Market or which has not participated in the Day Ahead Market, may also place bids in the Real Time Market.....”</i></p> <p>Hence in the view of above SRAS will be procured by the NLDC as per the methodology mentioned in the aforesaid Regulation which is wholly based on the NLDC discretion further the Commission, based on review of the operation of SRAS, may direct procurement of SRAS through market-based bidding mechanism</p> <p>Procurement of TRAS will involve price discovery in Power Exchanges which are unpredictable and highly volatile in nature.</p>
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				<p>Hence to keep control on Nodal Agency while procuring SRAS and to keep control on Price Discovery of TRAS in Power Exchanges, it is utmost important that the Commission shall decide the fixed capping of the Weighted Average Ancillary Service Charge in advance.</p> <p>Hence, we would like to suggest that there shall be maximum capping of the normal rate of charges for deviation.</p> <p>The aforesaid mechanism will be in the interest of Inter State Wind and Solar Generators, Buyers and Inter State Transmission System entities. Further it will ensure that Inter State Wind and Solar Generators will not be burdened by huge cost of normal rate of deviation of Charge.</p>
2	8(1)	<p><b>For WS seller:</b> Deviation by way of over injection Zero</p>	<p>We would like to request you to substitute the aforesaid clause in the Draft CERC DSM Regulations 2021 with the following new clause,</p> <p><b>For WS seller:</b> Deviation by way of over injection i) @ normal rate of charges for deviation up to 15% Deviation-WS seller (in %) <b>shall be paid to the generator</b> ii) @ 90% of the normal rate of charges for deviation beyond 15% Deviation-WS seller(in%) <b>shall be paid to the Generator.</b></p>	<p>In the proposed Regulation, there are charges payable by the Inter State Wind and Solar Generators for under injection, hence on the same basis the compensation shall also be provided to Inter State Wind and Solar Generators for over injection.</p> <p>Further If Wind &amp; solar generators will not be paid for over injection, then it will be loss to the generator.</p> <p>Hence considering the volatile nature of Wind and Solar resource, the generator should be paid for any excess generation as per the contract rate or normal rate of deviation of charges.</p> <p>Further the over injection shall be used in Real Time by the System, and the same will not be remain unutilized hence either the compensation for such over injection has to be provided as per the existing Regulation for over injection by Wind and Solar Generators or 12 months banking facility for such over injected quantum shall be provided if the compensation can not be given to such over injection.</p> <p>Further Banking has also been envisaged in the Draft Green Open</p>

				<p>Access Rules 2021. By this way, RTC firm supply also can be provided to consumers.</p> <p>Hence, we would like to request you to consider our suggestions, it shall lead to compensation for over injection or 12 Months banking facility for such over injection energy which has been utilized by the System in real time.</p>
3	8(1)	<p><b>For WS seller:</b> Deviation by way of under injection (i) Zero up to 10% Deviation-WS seller (in %); (ii) (ii) @ 10% of the normal rate of charges for deviation beyond 10% Deviation-WS seller (in %):</p>	<p>We would like to request you to substitute the aforesaid clause in the Draft CERC DSM Regulations 2021 with the following new clause,</p> <p><b>For WS seller:</b> Deviation by way of under injection (i) Zero up to 15% Deviation-WS seller (in %); (ii) (ii) @ 10% of the normal rate of charges for deviation beyond 15% Deviation-WS seller (in %):</p>	<p>As per CEA, Renewable energy generation (Excluding hydro) constitutes of 25.9% of the total generation. Renewable Energy is clean energy, and it has environmental benefits hence it is becoming alternative for conventional energy sources. Further Government of India intends to ensure renewable installed capacity from 40% of India's total energy mix as per the Paris Climate Change summit held in December 2015. For meeting its international commitments in 2015, the present Central Government set a target for achieving renewable energy generation 175 GWs by the year 2022, this goal has been subsequently revised to 227 GWs of renewable energy capacity by 2022.</p> <p>Hence in spite of advancement in Forecasting &amp; Scheduling techniques (as mentioned in explanatory memorandum), we suggest continuing present regime of allowing deviation up to 15% for under injection as DSM Regulation which is based on penalty is in very nascent stage for Renewable Energy, further in the explanatory memorandum also no scientific data has been given which shows that deviation due under injection has been reduced from 15% to 10 % due to advance in technology.</p>
4	10(1)	<p>10. Schedule of Payment of charges for deviation</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 7 (seven) days of</p>	<p>We would like to request you to substitute the aforesaid clause in the Draft CERC DSM Regulations 2021 with the following new clause,</p> <p>10. Schedule of Payment of charges for deviation</p>	<p>We request the Hon'ble commission to consider our suggestion and to increase the payment due date from seven days to ten days as per current regime. We have seen during Covid-19 pandemic that many financial institutions faced problems like;</p>

		<p>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>(1) The payment of charges for deviation shall have a high priority and the concerned regional entity shall pay the due amounts within 10 (ten) 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>Operational issues (due to unavailability of staff), technical issues (over burdening of home network), etc, so to be on safer side payment due date should be increased to ten days.</p>
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