



DANS ENERGY PRIVATE LIMITED

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22nd Oct, 2021

DEPL/CERC/2021-2022/01

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

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

Dear Sir,

This has reference to public notice issued by CERC on 08.10.2021 vide reference no. L-1/260/2021/CERC inviting comments on above subject matter. DANS Energy Pvt. Ltd., a hydro generating company having its project Jorethang Loop HEP in Sikkim with an installed capacity of 96 MW (2x48MW). Our comments on the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 are enclosed herewith for your kind consideration please.

Thanking you,

Yours Sincerely,
for DANS Energy Pvt. Ltd.

Vijay Kumar Paila
DGM, Commercial

Registered Office

207, Chiranjeev Tower, 43 Nehru Place, New Delhi-110019

Corporate Identity No.

U72900DL2003PTC119047

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

1. **Parity in treatment of hydro power with WS seller:** The hydro power projects have been brought under renewable energy project vide MoP notification dated 08.03.2019. Further, the generating pattern of hydro power plant is highly dependent on various extraneous factors beyond the control of the project viz. variation in weather conditions, variation in operational pattern of upstream project etc. As such, hydro power projects should be treated at par with WS seller as far as deviation mechanism is concerned.
2. **Over Injection by Hydro Power Plants:** Over injection is a natural phenomenon for hydro power projects and it is caused due to factors beyond the control of the generators (eg: sudden inflow of water due to unexpected rains, change in weather conditions, variation in operational pattern of upstream project etc.). Making deviation charge at 'Zero' rate for over injection by hydro power plants will be highly determinantal to the already effected hydro power sector. The same will also disincentivise the sector if there is no deviation rate for the unavoidable over injection. The same may tantamount to wasting of nation's natural resources (water) which would otherwise be used for generating power by over injecting to the grid. Hence, there should be deviation rate for over injection by hydro power plants.
3. **Under Injection by Hydro Power Plants:**
 - (i) **Due to high PPM/silt conditions and transmission line outages:** Hydro power projects are situated in hilly terrains. The outages due to transmission line, high PPM/silt conditions are unpredictable for hydro power projects. As such, in case of under injection by hydro power projects due to high PPM/silt conditions and transmission line outages which is beyond the control of hydro generator, only normal deviation rate should be applied with a Cap Rate of approx. Rs 3/kWh.



(ii) The scheduling and operation of hydro power plants are most peculiar in nature where the forecasting of actual water inflow and meeting the actual schedule particularly during transition months is very difficult as it depends on multiple factors viz. variation in weather conditions, variation in operational pattern of upstream project etc. Hence, levying normal rate of deviation charges without capping is unreasonable on hydro generator without their own fault. Therefore, it is requested for the kind consideration of CERC to cap the normal rate of charges for hydro power projects to approx. Rs 3/kWh.

4. **Due date for schedule of payment of charges of deviation:** It is agreed that the payment of charges for deviation shall have a high priority but considering the difficulty for regional entity in case of the statement of deviation for any week is uploaded by Regional Power Committee in the last day of the week i.e. Friday, in such cases the effective days available for any regional entity for verification and making the payment of deviation is only 5 days. Considering the above difficulty, it is submitted for the kind consideration of CERC that kindly modify the due date of payment of deviation to 7 working days or 10 days (in order to take care holidays falling in between) instead of 7 days of issue of statement of charges of deviation by Regional Power Committee.

