

Ref: GEPL/Regulatory/2021/06102021

October 6th, 2021

To,
Mr. Sanoj Kumar Jha, Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Dear Sir / Madam,

Sub: Comments and Suggestions on Draft CERC DSM Regulations 2021

Ref: Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 dated 07.09.2021

We, Greenko Group, introduce ourselves as India's leading Renewable Energy player, replacing fossil fuels with integrated decarbonized energy and grid assets enabling sustainable and affordable energy, with a net installed capacity of 7.5 GWdc across 15 States in India with over 12+ years of operational expertise. We are committed towards transforming renewable energy from real-time energy to a dispatchable and controlled medium through digitization and storage solutions to support the economy-wide shift towards a carbon-neutral electricity mix in the Country.

We hereby submit our comments and suggestions on the above referred proposal for your kind consideration. If required, we shall submit internal calculations from one of our plants for your perusal. We hope for a positive response.

Thanking You

Yours Sincerely,

For Greenko Energies Private Limited

Authorised Signatory



Comments on Draft CERC DSM Regulations 2021 dated 07.09.2021.

S No	Reference Clause	Existing Clause	Modification Required	Rationale
1	3 (t)	'Renewable Rich State' or 'RE-rich State' means a State whose combined installed capacity of solar and wind power projects under the control area of the State is 1000 MW or more;	'Renewable Rich State' or 'RE-rich State' means a State whose combined capacity of solar and wind power projects connected to the State Transmission Utility is 1000 MW or more;	A state which has combined installed RE capacity of 1000 MW or more is not necessarily consuming the power generated by such generators and part of such generators are connected to CTU and supplied to other states.
2	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.....	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 net charges payable to the Ancillary Service Providers for all the Regions for that time block.....	It is prudent to consider the "Net" charges payable to the Ancillary Services Providers instead of the "Total" charges payable. There will be certain time blocks where "Up services" are utilised by a particular region where payment is made from the pool and "Down services" are utilised by another region where payment is received into the pool, net

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				of this cash inflow and outflow should be considered to determine the normal rate of charges for deviation
3	7 (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 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 lowest 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	It should be noted that Currently Exchange Prices are highly volatile due to coal shortage and extreme weather conditions coupled with Economic Revival phase in the country. Considering the uncertainty due to the pandemic situation over the next one year, the prices are expected to remain highly volatile and therefore it is prudent to consider the lowest instead of the highest or alternatively fix a cap to avoid burdening the deviating Entity.

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		Ancillary Service Charge of all the regions] for that time block...	Service Charge of all the regions] for that time block...	
4	8 (1)	<p>For a general seller being an RoR generating station:</p> <p><u>Deviation by way of over injection:</u> Zero</p> <p>For WS seller:</p>	<p>For a general seller being an RoR generating station:</p> <p><u>Deviation by way of over injection:</u></p> <p>(i) @ PPA / Contract rate for deviation up to 12% Deviation-general seller (in %) shall be paid to the Generator;</p> <p>(ii) @ 90% of the PPA / Contract rate for deviation beyond 12% Deviation-general seller (in %) shall be paid to the Generator.</p> <p>For WS seller:</p>	<p>Run of the River generating stations and Wind & Solar generators are not being paid for Over Injection which is detrimental to the generator as the fuel (especially water) is Non – Replenishable and is a loss of resource over its complete life of generating station which is not being compensated. Considering the inherent variable and uncertain nature of RoR, Wind and Solar resource, the generator should be paid for any excess generation as per the Normal Rate or Contract Rate or Area Clearing Price.</p>

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		<p><u>Deviation by way of over injection:</u> Zero</p>	<p><u>Deviation by way of over injection:</u> (i) @ PPA / Contract rate for deviation up to 12% Deviation-WS seller (in %) shall be paid to the Generator;</p> <p>(ii) @ 90% of the PPA / Contract rate for deviation beyond 12% Deviation-WS seller (in %) shall be paid to the Generator;</p>	<p>When there are charges payable for Under Injection due to non-availability of resource there should be compensatory receivable as well for Over Injection from the pool which balances the cash out flow due to Under Injection.</p> <p>It should also be noted that Forecasting & Scheduling will be accurate when closest to the generation time block however there are restrictions with regards to revising the schedules especially for STOA transactions, which is forcing the helpless developers to deviate from the schedules and thereby ending up paying deviation charges.</p>

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				<p>A Wind – Solar generator is expected to lose around 12 lakhs/MW annually which translates to ~40p/kWh and if it is not paid for over injection then this is a big set back considering that there are CUF limits for any contract and shortfall has a financial consequence as well which will be like a double whammy for the generators.</p>
5	8 (1)	<p>For a general seller being an WS seller:</p> <p><u>Deviation by way of under injection:</u></p> <p>(i) Zero up to 10% Deviation-WS seller (in %);</p>	<p>For a general seller being an WS seller:</p> <p><u>Deviation by way of under injection:</u></p> <p>(i) Zero up to 12% Deviation-WS seller (in %);</p>	<p>We request Hon'ble commission to set the deviation limit at 12% instead of 10%. We understand that commission is interested in managing the grid efficiently however we would like to highlight that decreasing this limit to 10% (33% down from the current level) at</p>

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		<p>(ii) @ 10% of the normal rate of charges for deviation beyond 10% Deviation-WS seller (in %):</p> <p>Provided that such seller shall pay back to the Deviation and Ancillary Service Pool Account for the total shortfall in energy against its schedule in any time block due to under injection, (a) at the contract rate at which it has been paid based on schedule, or (b) in the absence of a contract rate at the rate of the Area Clearing Price of the Day Ahead Market for the respective time block.</p>	<p>(ii) @ 10% of the PPA / Contract rate for deviation beyond 12% Deviation-WS seller (in %):</p> <p>Provided that such seller shall pay back to the Deviation and Ancillary Service Pool Account for the total shortfall in energy against its schedule in any time block due to under injection, (a) at the contract rate at which it has been paid based on schedule, or (b) in the absence of a contract rate at the rate of the Area Clearing Price of the Day Ahead Market for the respective time block.</p>	<p>one go will affect the generators and put huge burden on their working capital during the current COVID pandemic economic crises.</p> <p>It should also be noted that Forecasting & Scheduling will be accurate when closest to the generation time block however there are restrictions with regards to revising the schedules.</p> <p>We suggest the limit to be set at 12% (20% down from the current level) which will not be a huge blow to the generators.</p>
6	8 (1) & (2)	<p>Nothing</p>	<p>In reference to clauses 8(1) and 8(2) of this Regulation, for balancing of deemed renewable purchase</p>	<p>We wish to highlight that any deviation in schedules by Wind - Solar generators will have an</p>

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			<p>obligation (RPO) compliance of buyers with respect to schedule, deviations by all wind and solar geerators which are regional entities shall first be netted off for the entire pool on a monthly basis and any remaining shortfall in renewable energy generaion must be balanced through purchase of equivalent solar and non-solar Renewable Energy Certificates (RECs), as the case may be, by NLDC by utilising funds from the Pool Account. For positive balance of renewable energy generation, equivalent notional RECs shall be credited to the DSM Pool and carried forward for settlement in future.</p>	<p>implication in the RPO compliance of the obligated entities and REC market also stands to lose equivalent value and volumes corresponding to the shortfall in the actual generation from the scheduled generation.</p> <p>Inclusion of this clause will make sure that obligated entities and REC markets are not affected.</p> <p>We request the Hon'ble commission to retain this clause which is already a part of the existing DSM Regulations.</p>

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7	8 (3) (a)	The charges for deviation for injection of infirm power shall be zero.	The charges for deviation for injection of infirm power shall be paid at PPA / Contract rate for deviation only for a period of 60 days prior to COD.	We request the Hon'ble Commission that payment for the Infirm power be made at PPA / Contract rate for deviation or ACP which is as per existing regulations. Period of such payment may be for 2 months. This will result in higher revenue realization and the excess recovery thereof would be accounted for reduction in the capital cost of the project. This would be beneficial for the generating company as it would recover some of its investment upfront. At the same time, the beneficiaries would have to pay lower tariff after commissioning on account of reduction in the capital cost for the purpose of tariff.

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8	General			<p>We request the Hon'ble Commission to consider aggregation at the RLDC level instead of Substation or QCA level and any deviation charges should then be proportioned back to the states & developers to address situations where a particular generator from one region is over injecting and another generator from the same region is under injecting in the same time block due to respective forecasting errors, but the grid remains unaffected in anyway. However, under injecting generator is made to pay deviation charges while the over injecting generator is not paid anything.</p>