

Ref. No. ISMA / 70 / 2021

7th October, 2021

The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi-110 001.

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

Ref: CERC Letter No. L-1/260/2021/CERC dated 7th September, 2021.

Sir,

1. ISMA is an all India Apex Association, registered in 1935, representing sugar mills in the private and public sector across the country. It is the interface between the Government of India and Sugar Industry in the country. The prime objective of ISMA is to ensure that the functioning and interests of its member sugar mills are safeguarded through conducive and growth-oriented policies of the Government.
2. CERC, vide its letter No. L-1/260/2021/CERC dated 7th September, 2021, has uploaded the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, inviting comments thereon by 8th October, 2021.

Accordingly, we are furnishing our comments on the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, as follows:

3. Regulation 8 (1) of the draft Regulations provide the deviation charges for over-injection and under-injection, both, at 2%.

Under the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014, issued vide Notification No. L-1/132/2013/CERC dated 6th January, 2014, it was allowed at 12%.

Since no valid reasons have been provided to reduce it from 12% to 2%, it is requested that the same may be retained at 12% as allowed by the Notification dated 6th January, 2014. It is also justified by the fact that the draft Regulations, 2021, propose the deviation @ 12% in case of over-drawal.

4. Under the fifth amendment of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014, issued vide Notification No. L-1/132/2013/CERC dated 28th May, 2019, cap rate was provided on the 'normal rate of charge for deviation', which is missing in the draft Regulations, 2021.

It is, therefore, suggested that cap rate may be provided on the 'normal rate of charge for deviation' for all the calculations since ACP of the DAM goes very high and price vary drastically.

5. We hope and trust that our above suggestions would receive due consideration while finalising the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021.

Thanking you.

Yours faithfully



(Abinash Verma)
Director General