

JINDAL INDIA THERMAL POWER LIMITED

REGD. OFF: PLOT NO. 2, POCKET C, 2ND FLOOR, NELSON MANDELA ROAD,
VASANT KUNJ, NEW DELHI – 110 070

PHONE: 011-68136900 FAX: 011-26121734

WEBSITE: www.jindalgroup.com , CIN: U74999DL2001PLC109103

Ref: JITPL/CERC/DSM/FY-2021-22/55

Date: 08.10.2021

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

Sub: Submission of JITPL on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021.

Dear Sir,

Hon'ble Commission vide its notification dated 07.09.2021 has published the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 inviting views/comments/suggestions/objections from various stakeholders on the proposed Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021.

In this regard, please find enclosed comments/ suggestions of JITPL on the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021.

Thanking you,

For **JINDAL INDIA THERMAL POWER LIMITED**



(Authorized Signatory)

JITPL's submissions on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021

| Sr. No | Existing Clause No. of the Proposed Regulation by CERC | Proposed Views/ Comments of JITPL | | | | | | | | | |
|--------|--|--|---|--|--------|------------------------------------|-------------------------------------|--|--|--|---|
| 1 | <p>7. Normal Rate of Charges for Deviations</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>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 Ancillary Service Charge of all the regions] for that time block:</p> | <p>a) As per the draft regulation, an <u>illustrative calculation</u> basis for Weighted Average Ancillary Service Charge (in paise/kWh) shall be provided for the better clarity and understanding. It is not available as of now.</p> <p>b) JITPL also submits that deviation charges applicable shall have a cap rate of 303.04 Paise/kWh as it may put extra burden on already stressed Thermal Power Plants (TPPs).</p> <p>c) The operations of a TPP are complex and events such as forced outage of any kind is unavoidable. Hence, further to an event of forced outage of any kind, the generators will be exposed to heavy financial burden.</p> <p>Therefore, in such events a general seller using coal shall be allowed to pay charges @ 10% of 303.04 Paise/kWh rather than 10% of normal rate of charges.</p> | | | | | | | | | |
| 2 | <p>8. Charges for Deviation</p> <p>(1) Charges for deviation in a time block by a seller shall be payable by such seller as under:</p> <table border="1" data-bbox="286 1038 1128 1166"> <thead> <tr> <th data-bbox="286 1038 450 1098">Entity</th> <th colspan="2" data-bbox="450 1038 1128 1098">Charges for deviation payable to Deviation and Ancillary Service Pool Account</th> </tr> <tr> <th data-bbox="286 1098 450 1166">Seller</th> <th data-bbox="450 1098 848 1166">Deviation by way of over injection</th> <th data-bbox="848 1098 1128 1166">Deviation by way of under injection</th> </tr> </thead> <tbody> <tr> <td data-bbox="286 1166 450 1166"></td> <td data-bbox="450 1166 848 1166"></td> <td data-bbox="848 1166 1128 1166"></td> </tr> </tbody> </table> | Entity | Charges for deviation payable to Deviation and Ancillary Service Pool Account | | Seller | Deviation by way of over injection | Deviation by way of under injection | | | | <p>(a) JITPL submits that a Thermal Power Plant (TPP) cannot match up with the schedule to 100% due to its complex BTG functions. Hence, the deviation of ± 20 MW shall be allowed, where minimum of 303.04 Paise/kWh shall be given to the generator in case of over injection and shall be taken back in case of under injection without levying any penalty. The penalty zone shall start only after allowable deviation of ± 20 MW.</p> <p>(b) In case of Deviation by way of over injection</p> <p>In case of over injection, the generator should be paid for up to 2% of Deviation or 20 MW whichever is lower as mentioned above.</p> <p>And beyond 2% Deviation, a general seller using coal shall not get energy charges and also pay charges @ 10% of normal rate of charges.</p> |
| Entity | Charges for deviation payable to Deviation and Ancillary Service Pool Account | | | | | | | | | | |
| Seller | Deviation by way of over injection | Deviation by way of under injection | | | | | | | | | |
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| For a general seller other than an RoR generating station or a generating station based on municipal solid waste | (i) Zero up to 2% Deviation-general seller (in %); | (i) @ normal rate of charges for deviation up to 2% Deviation-general seller (in %); |
| | (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %) | (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %). |

(c) In case of Deviation by way of under injection:

- I. For a general seller for up to 2% deviation, normal rate of charges or the cap rate of 303.04 Paise/kWh, whichever is lower shall be applicable.
- II. We request the Hon'ble Commission to kindly clarify that whether the Charges payable for deviation beyond 2% means that the charges @ 110% of the normal rate of charges are applicable over and above 2% deviation or for the entire deviation exceeding beyond 2%.
- III. It is requested for deviation beyond 2%, the charges payable @110 % of normal rate should be capped.

8. Charges for Deviation

(3) (a) The charges for deviation for injection of infirm power shall be zero.

(b) The charges for deviation for drawal of start-up power before COD of a generating unit or for drawal of power to run the auxiliaries during shut-down of a generating station shall be payable at the normal rate of charges for deviation.

a) It has been proposed that, in case of a black out of unit/ restarting of the unit the start-up power can be avoided by entering into a contract for the same.

It is requested that a proper mechanism should be developed and communicated to the RLDCs/ SLDCs to ensure that such approval/ permission is allowed to the generator within a stipulated time frame without any obstacles to enter into such contracts/ agreements. Also, it is proposed that in case no such approval/ permission is received within the stipulated time frame, it shall be considered as deemed approved.

This is because at present few RLDC/ SLDC do not provide approval/ permission to procure power from outside the state. Hence, a proper mechanism will enhance in implementing the idea.

b) Unit tripping and light up of thermal power generator is a special phenomenon and does not happen frequently. In light of this, normal rate of charges shall not be levied in such situations. So it is requested to charge penalty at a limited reasonable rate to avoid unnecessary burden on Thermal generators in such special situations.



10. Schedule of Payment of charges for deviation

4 (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.

a) The payment timeline shall be of 30 days considering that this will put up financial burden on thermal generators which have already been burdened by the issues of non-payment from utilities. However, if not 30 days we urge that a minimum of 12 days of payment timeline shall be considered by the Hon'ble Commission.

