



**MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITARAN CO. LTD.,**

**REGISTERED OFFICE: GPH COMPOUND, POLO GROUND, INDORE**

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14558

Indore, dated

21 OCT 2021

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

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

Ref: (1) CERC Public Notice No. L-1/260/2021/CERC Dated 07th September, 2021.  
(2) CERC Public Notice No. L-1/260/2021/CERC Dated 08th October, 2021.

With reference above cited subject matter and references, comments of the Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co. Ltd, Indore is enclosed as **Annexure-1** for kind consideration of Hon'ble Commission please.

Enclosed: A/a

21.10.21  
Dy. Director (Commercial)

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

**Proposed Draft Provision:**

1. The draft Regulations issued by Hon'ble CERC inter alia provides as under:

4. *Scope*

- These regulations shall be applicable to all grid connected regional entities and other entities engaged in inter-State purchase and sale of electricity.*

8. *Charges for Deviation*

- (1).....

- (2).....

- (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*

**Comment and Discussion on the proposed provision:**

2. It may be seen that proposed Regulations is applicable to all the grid connected regional entities as well as other entities engaged in inter-State purchase and sale of electricity. Proposed Regulations further provides for the settlement of drawl of power by generating station for start up or during shutdown through DSM mechanism.
  
3. It is submitted that while engaging in activity of generation of power, Generating Companies some times when power plant is under shut down, require electricity for their own use for various purposes. For example, drawal of power for synchronisation purposes, maintenance purpose, light & fan, to keep charged various electrical equipments etc. In such cases, the generator is acting as a consumer of electricity. As per various provisions of the Electricity

Act 2003 the supply/distribution of electricity to a consumer is a regulated/licensed activity and need to be regulated by the State Commission.

4. Accordingly any drawl of power by any generator from the grid is liable to be billed for the consumption by concerned distribution licensee of area as per Tariff order/Regulation issued by the respective State Commission and should not be permitted to be settled through DSM mechanism.
5. In the State of Madhya Pradesh, Regulation 10 of the 'Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 (hereinafter 'RE Regulations') as amended by 7th amendment provided as under:

*10. Drawing Power by Generator/ Cogeneration from renewable Sources*

*The Generator/ Co-generation from Renewable Sources would be entitled to draw power exclusively for its own use from the Transmission/ Distribution Licensees' network for synchronization of plant with the grid or during shutdown period of its plant or during such other emergencies. The power availed during synchronization of plant with the grid shall be billed for the period and at the rate as per retail supply tariff order under tariff schedule for synchronization. In other cases, it would be billed at the rate applicable to temporary connection under HT Industrial Category.*

6. Hon'ble MPERC vide its retail supply tariff order for FY 2021-22 has made provisions for drawl of power by Generators under HV-7 tariff schedule. The relevant conditions of HV-7 tariff are reproduced as under:-

*"This Tariff shall apply to those generators who are already connected to the grid and seek to avail power for synchronization with the grid. This Tariff category shall also be applicable to the Generator/Co-generator plant from Renewable sources entitled to draw power exclusively for its own use from the State Distribution Licensee for synchronization of plant with the grid or during shutdown period of its plant or during other emergencies.*

.....

*Terms and conditions:*

*(a) The supply for synchronization with the grid shall not exceed 15% of the capacity of the power plant. In case of drawl of power above 15% of the capacity of the power plant on any occasion, the excess energy drawn during the billing month shall be billed at the rate of 2 times of the normal energy charges.*

*(b) The condition for minimum consumption shall not be applicable to the generators including CPP. Billing shall be done for energy recorded on each occasion of availing supply during the billing month.*

*(c) The supply shall not be allowed to the CPP for production purpose for which they may avail stand-by support under the relevant Regulations.*

*(d) The synchronization with the grid shall only be made available after commissioning of the plant.*

*(e) .....*

7. In view of above it is submitted that State Commission is competent authority to make Regulation and to issue tariff order for the purpose of drawl & billing of power drawn by the generators from the gird. Therefore proposed Regulation 8(3)(b) need to be omitted.
8. Even otherwise, regarding drawl of power from the grid during commissioning period, Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2014 (**Connectivity Regulations**), provides as under:

***“8. Grant of Connectivity***

***(7) Notwithstanding anything contained in Clause (6) of this Regulation and any provision with regard to sale of infirm power in the Power Purchase Agreement, a unit of a generating station including a captive generating plant which has been granted connectivity to the inter-State Transmission System in accordance***

*with these regulations shall be allowed to inter-change infirm power with the grid during the commissioning period, including testing and full load testing before the COD, after obtaining prior permission of the concerned Regional Load Despatch Centre for the periods mentioned as under:-*

***(a) Drawal of Start-up power shall not exceed 15 months prior to the expected date of first synchronization and 6 months after the date of first synchronization.***

***(b) Injection of infirm power shall not exceed six months from the date of first synchronization.***

*Provided that drawal of Start-up power shall be subject to payment of transmission charges and the generator shall have to open a Revolving and Irrevocable Letter of Credit issued by a Scheduled Bank equivalent to 2 months transmission charges prior to drawal of Start-up power.*

***Provided further that the Start-up power shall not be used by the generating station for the construction activities;***

.....

*Provided further that the concerned Regional Load Despatch Centre while granting such permission shall keep the grid security in view:*

*Provided also that the onus of proving that the interchange of infirm power from the unit(s) of the generating station is for the purpose of commissioning activities, testing and commissioning, shall lie with the generating company and the respective RLDC shall seek such information on each occasion of interchange of power before COD. For this, the generating station shall provide RLDC sufficient details of the specific commissioning activity, testing and full load testing, its duration and intended period of interchange, etc:*

***Provided also that the infirm power so interchanged by the unit(s) of the generating plant shall be treated as deviation and the generator shall be paid/charged for such injection/drawal of infirm***

*power in accordance with the provisions of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014, as amended from time to time or subsequent re-enactment thereof."*

9. It may be seen that aforesaid Regulations of Hon'ble CERC specifically provide for the drawl of power from the grid through UI/DSM mechanism only before CoD for the commissioning activity. Further the aforesaid connectivity Regulation is applicable only to those generators who are connected with the regional grid. Therefore proposed Regulation 8(3)(b) permitting settlement of power through UI/DSM even after CoD for all generators, notwithstanding the fact that they are connected with State grid or regional grid, is contrary to the aforesaid connectivity Regulations issued by the Hon'ble CERC itself.

**Proposal of the Discom:**

10. In view of above submission and statutory provisions, it is submitted that issue of consumption of power by a generator from the grid is subject matter of jurisdiction of the concern State Commission. Therefore it is requested that proposed draft Regulation 8(3)(b) permitting settlement of drawal of power by generator through DSM mechanism may please be omitted.

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