

**Comments of Madhya Pradesh Power Generating Company Limited on  
Draft notification (Central Electricity Regulatory Commission  
(Deviation Settlement Mechanism and Related Matters) Regulations, 2021 issued  
on 07.09.2021.**

In the matter, MPPGCL wish to submit its comments on the following three issues:

**Issue 1: To impose Cap rate on Charges for Deviation.**

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, under Regulation - 7 (1) (Normal Rate of Charges for Deviation) provides that

**7. Normal Rate of Charges for Deviations**

*(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:*

*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:*

*Provided further that in case of non-availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered:*

In the above context, MPPGCL wish to submit that in the prevailing DSM Regulation i.e. Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 read with subsequent amendments issued from time to time, the Cap rate of 303.04 Paise/kWh on DSM payments is clearly specified so as to avoid unnecessary over burdening and to save guard the interest of Seller (Generator).

It is, therefore, humbly requested before Hon'ble Commission to kindly determine a **Cap Rate (Paise/kWh) on Normal Rate of Charges for Deviations (in paise/kWh)** and incorporate the provision of Cap rate in the proposed Regulations, 2021 (Draft) also so as to avoid unnecessary over burdening on seller.

## Issue 2: Charges for Deviation

### Description of the Issue

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, under Regulation - 8 (1) (Charges for Deviation) provides that

*8(1) Charges for deviation in a time block by a seller shall be payable by such seller as under:*

<i>Entity</i>	<i>Charges for deviation payable to Deviation and Ancillary Service Pool Account</i>	
<i>Seller</i>	<i>Deviation by way of over injection</i>	<i>Deviation by way of under injection</i>
<i>For a general seller other than an RoR generating station or a generating station based on municipal solid waste</i>	<i>(i) Zero up to 2% Deviation-general seller (in %); (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %)</i>	<i>(i) @ normal rate of charges for deviation up to 2% Deviation-general seller (in %); (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %).</i>

### **MPPGCL's submission:-**

In the above context, MPPGCL wish to submit that the limit of **2% Deviation** considered in above table appears to be on very lower side. It is to submit that operation of Governor Control which greatly depends on vintage of Units, Automation features & Technology used, may contribute the deviation between 4% to 5%. Considering metering errors and governor response it is proposed to increase the limit of deviation to 4%. Therefore, it is requested to please replace **2% Deviation by 4% Deviation** at relevant location in above table and provide relief to the Sellers.

**Issue 3: The treatment/ settlement/ adjustment for energy drawl by Generating Station to meet its plant consumption under shutdown.**

**Description of the Issue**

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021, under Regulation - 8 (Charges for Deviation) provides that

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

(b) *The charges for deviation for drawl 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.*

**MPPGCL's submission:-**

In the above context, MPPGCL wish to submit that in the situation when Unit goes under shut-down (Forced shut-down/ Planned shut-down/ Reserve shut-down), the seller (Generator) requires to draw power from Grid to run various auxiliaries /loads like control system, water pumping system, battery charging system, safety equipment, various air and oil pressure systems, station lighting loads etc which are necessary to be kept operational during plant shutdown.

In case of shutdown of single Unit out of the multiple units in the Power House/ Generating Station, the consumption of that unit can be met through the generation of other units, however in case of total plant shutdown or station where single Unit is installed, the plant needs to draw power form grid.

Generator is entitled for injection in accordance with Declared Capacity/ Schedule given by MP SLDC and DISCOMs are entitled for drawl as per their requisition/ Schedule given by MP SLDC. But there is no provision for the Generator to submit requisition for drawl of power (negative declaration) and for MP SLDC to schedule this drawl of power. MPPGCL therefore, request that power drawn by the Generator shall not be settled through prevailing DSM Regulations.

It is further to submit that in the state of Madhya Pradesh, all the Generating Station of MPPGCL are located in the same Distribution Licensee's area of supply with whom (single buyer

MPPMCL), the Generating Company (MPPGCL) has the PPA for supply of power from its Generating Station under Section 62 of the Electricity Act.

MPPGCL, therefore, proposes that during normal operating conditions (since the frequency binding on seller and buyer are withdrawn in this draft Regulations), the treatment/ settlement/ adjustment for energy drawl by such Generating Station to meet its plant consumption under shutdown, be done by **Netting off** the Energy drawn by such Generating Station on monthly / Annual basis with energy generated by that Generating Station and supplied to the contracted Distribution Licensee / MPPMCL.

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