



NLC TAMILNADU POWER LIMITED

(A JVC between NLC India Ltd & TANGEDCO
and a Subsidiary of NLC India Limited)

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COMMENTS ON DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION

(DEVIATION SETTLEMENT MECHANISM AND RELATED MATTERS) REGULATIONS, 2021

Regulation 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

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

NTPL Comments on Regulation 7 (1)

The normal rate of deviation charges for a time block shall be declared by the concerned RLDC / Nodal Agency in advance for real time operation.

Since the Ancillary Service Charges, ACP of Day Ahead / Real Time Markets of Power Exchanges are highly fluctuating, there are chances that thermal generator may be penalized at very high rate for deviation. Hence, the charges of deviation may be capped.

Regulation 8 (1)

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
For a general seller other than RoR-generating station or a generating station based on municipal solid waste	(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) @ 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 %)

NTPL Comments on Regulation 8 (1)

Though the Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 aims at adhering to schedule by all entities and deviation to be managed by deployment of ancillary services, it is submitted that for thermal generating stations, it is practically impossible to maintain AG/SG as 100% because of frequent schedule changes due to revision by beneficiaries, dynamic scheduling under Ancillary Services, URS Power Sale in volatile power market and SCED scheduling.

Real time Constraints of Thermal Generators in adhering to schedule

1. Illustration

Block	Scheduled Generation (SG) MW	Generation at the end of the block MW	Average Generation (AG) MW	AG/SG %	Deviation %	Ramp Rate Achievement %
1	700	700	700	100	-	-
2	850	850	775	91.18	$\frac{775 - 850}{850} \times 100 = -8.82\%$	0.5 %
3	700	700	775	110.71	$\frac{775 - 700}{700} \times 100 = 10.71\%$	0.5 %

Scheduled Ramp Rate: 1%

From the above table, it is clearly evident that during cyclic schedule changes, the average scheduled generation & scheduled ramp rate could not be achieved at all.

It is to be noted that considering the real time constraints in achieving scheduled ramp rate in the blocks where there is change in direction of scheduled ramp rate and in case of preceding block ramp is less than 0.5%/min, the following relaxations were provided by POSOCO in Ramp Rate Assessment computation.

- i. The blocks where there is change in direction of scheduled ramp rate, i.e., from ramp up to ramp down or vice versa, shall not form part of D (Number of time blocks during the computation period when the scheduled ramp rate is greater than or equal to 1%/min in the net injection schedule)*
- ii. The blocks where the scheduled ramp in preceding block was less than 0.5%/min, if the ramp in actual generation is greater than or equal to 0.5%/min, that block shall be counted in F (Number of blocks in which the achieved ramp rate greater than or equal to 1%/min, out of the blocks in which the scheduled ramp rate is greater than or equal to 1%/min in the net injection schedule) i.e., ISGS shall be considered to have achieved 1%/min in that block*

However, in above two cases, the charges for deviation is computed as per the existing DSM Regulations causing huge financial loss to generators.

Hence, for blocks where the scheduled ramp in preceding block was less than 0.5%/min and for blocks where there is change in direction of scheduled ramp rate, the achievement of 50% of ramping capacity may be considered as no deviation.

2. In real time operation, due to intervention of NLDC - AGC scheduling in RLDC Scheduling (i.e., RLDC scheduling in one direction and AGC scheduling in opposing direction), SCED scheduling, RRAS scheduling, URS power sale in Real Time Market, it is impossible to achieve scheduled generation and maintain AG/SG as 100%.

Primary Frequency Response at 5% droop in the interest of grid stability will also result in block deviation and attracts DSM charge.

Hence, the deviation limits may be modified as follows so as to protect the interest of thermal generators along with grid security.

- i) For deviation by way of over injection upto 2%, generators may be paid at the rate of Previous Month ECR
- ii) For deviation by way of over injection beyond 2%, the charges for deviation may be zero (Free Power)
- iii) For deviation by way of under injection upto 2%, 100% of normal rate of charges for deviation capped to Previous Month ECR
- iv) For deviation by way of under injection above 2%, 110% of normal rate of charges for deviation

Regulation 8 (3) 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 of deviation

NTPL Comments on Regulation 8 (3) b

NTPL being a station with only two Units (2 x 500 MW), the possibility of instances of power drawl is more in case of tripping of one Unit when another Unit is in Planned / Forced shutdown. In this case, the charges for deviation payable for drawal of power at normal rate will be huge burden as the normal rate of charges of deviation may go up to ₹ 20 / Unit.

Hence, the charges of deviation for drawal of power to run the auxiliaries during shut-down of generating station may be capped to Previous Month ECR of the generating station.

for NLC Tamilnadu Power Limited


Chief Executive Officer