

**To,**  
**The Secretary**  
**Central Electricity Regulatory Commission**  
3rd & 4th Floor, Chanderlok Building,  
Janpath, New Delhi – 110 001

**30 June 2021**

**Ref: No. RA-14026(11)/3/2019-CERC (Draft CERC Ancillary Services Regulations, 2021)**

**Sub:** Submission of comments/suggestions on Draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021

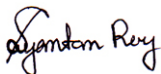
Dear Sir,

We would like to thank Hon'ble Central Electricity Regulatory Commission for bringing the necessary regulation in captioned matter and providing us the opportunity to give our comments/suggestions on the same.

We take this opportunity to introduce Eren Groupe, who is one of the largest renewable/energy efficiency companies of Europe, headquartered in France. Eren is a large player in Solar/Wind/Hydro across the world and has 50+ energy efficiency technologies across 40 subsidiaries. Ekniti India Pvt. Ltd. is a full service Energy Efficiency and Renewables Company, a subsidiary of Eren Groupe that hosts all our technologies under one roof. We provide custom-made energy efficiency and storage solutions to achieve your targets for a reduced carbon footprint, and energy cost.

We would like to submit our comments/suggestions on the draft regulations which may be considered by Hon'ble Commission.

**Thanking you,**



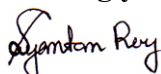
**Sayantan Roy**  
**Ekniti India Pvt. Ltd.**

**Ekniti suggestions on Draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021**

S.N	Reference	Suggestion	Rationale
1	<p><b><u>Clause 17 Price Discovery for TRAS-Up</u></b></p> <p>(1) The price discovery for TRAS-Up shall be based on the principle of Uniform Market Clearing Price.</p> <p>(2) The highest Energy-Up bid corresponding to the requirement for TRAS-Up as intimated under clause (1) of Regulation 16 of these regulations, shall be the Market Clearing price for Energy-Up in the Day Ahead Market (MCP-Energy-Up-DAM) or in the Real Time Market (MCP-Energy-Up-RTM), as the case may be.</p>	Some premium over the discovered price should be allowed for battery storage systems to compensate for the high capex.	Energy service companies (ESCOs) will be owning the storage assets and the Nodal Agency will be taking their service as an when required. Regular and adequate revenue stream will enable private investment in the storage space.
2	<p><b><u>Clause 17 Price Discovery for TRAS-down</u></b></p> <p>(5) The Commission may, if considered necessary, provide for a price cap for TRAS.</p>	Price cap (we assume price floor) may be removed or kept equal to variable cost of electricity (Production and transmission) only.	The sustenance of private asset owners will depend largely on the leverage between TRAS- UP and TRAS-DOWN and on capacity utilization.
3	<p><b><u>Appendix 1</u></b></p> <p>“Table 1 - Methodology for calculation of Custom Participation Factor and Allocation of Secondary Control Signal among SRAS-Up Providers”</p>	Normalized cost factor may be discounted by certain percentage for battery storage systems (Also see serial number 5 below)	It will compensate for high capex investment by private players. Especially for initial years when the requirement of TRAS will be very less and revenue potential will be very less.
<b><u>Additional suggestions</u></b>			
4	A clause related to the Virtual Power Plants (large network of grid connected household/commercial rooftop solar power plants) who wish to take part in the ancillary service market may be suitably added in the regulation.		Will enable integration of rooftop solar plants into the grid and open up additional revenue stream for the battery storage based ancillary service providers
5	There should be incentive for those who can provide faster and more accurate services as soon as control signal is received. Because various type of storage/generating units have different response time and ramp up capacity.		Will compensate for high capex of battery storage based ancillary service providers
6	A clause related to the sharing of unused or reserved battery storage capacity within the same installation for providing power backup to local community may be suitably added		It will enable multiple source of revenue

7	Considering that we are gradually scaling down the use of diesel generating sets and restrictions are already in place in Delhi NCR, a clause on “Community Storage Programs” and the norms for using their capacity in rendering ancillary services may be included.	The policy directives along with some incentive structure will not only help us in the transition from diesel generating units to cleaner source of power backup but also incentivize common people to invest in grid stabilization infrastructure.
8	The sharing of cost of infrastructure between storage system and interconnection points need to be detailed in the CERC Regulation/Detailed Procedure by Nodal Agency. The interconnection points and the location of storage devices should be flexible enough to safely and cost effectively deploy available technology.	Clarification will help in planning
9	There should be some minimum guaranteed capacity charge for both the SRAS and TRAS for maintaining the capacity and recover the operational cost plus a premium for gradual recovery of Capex.	It will enable a viable business case for private investment
10	A clause related to the terms and conditions, If an energy service company wants to form SPV with solar power producers (both IPPs and retail rooftop solar panel owners) may be included in the regulation.	
11	Allow large power consumers / townships/ commercial establishments with energy storage systems not set up with the sole purpose of being a SRAS or TRAS provider, to authorise a third party (controlling & maintaining a large pool of storage) to deal on their behalf with the nodal agency.	Will enable, ESCO companies aggregate storage resources and enable multiple usage
12	Accommodate smaller installations of less than 1 MWh storage in several locations (within the same substation grid), that could act cumulatively within the specified response time to provide a minimum capacity of 1MWh when required.	Will enable, ESCO companies aggregate storage resources and enable multiple usage
13	Waive transmission, cross subsidiary, wheeling charge & any misc. charges to TRAS that solely rely on the grid for its power requirements.	Since SRAS and TRAS will be providing services to grid, these charges may be removed.
14	For a premise that has an energy storage solution implemented; in the event TRAS UP or DOWN are not being availed by the Nodal agency; the premises should be allowed an incentive to consume the energy stored if it consumed during peak hours of the day.	This will not only encourage deployment but will shift peak loads

**Thanking you,**



**Sayantan Roy**

**Ekniti India Pvt. Ltd.**