

PCKL/DDP1/ADP - 4&9/CERC/2021-22/
Encl: Annexure 1346

Date: 30 JUN 2021

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

Sir,

- Sub:** Submission of Comments/Views on the Notification of Draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021.
- Ref:** CERC Public Notice No. RA-14026(11)/3/2019-CERC, dated: 29.05.2021.

With respect to the above, Power Company Karnataka Limited (PCKL) on behalf of the Distribution Companies of Karnataka, would like to furnish the views/comments on the proposed Draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021 as in the Annexure.

It is requested that, the views/comments furnished may be considered while finalising the Regulations.

Thanking you,

Yours faithfully,


Managing Director
PCKL, Bengaluru.

Sl No	Clause No.	Draft Regulations 2021	Comments
1	2.	<p>Objective</p> <p>These regulations aim to provide mechanisms for procurement, through administered as well as market-based mechanisms, deployment and payment of Ancillary Services for maintaining the grid frequency close to 50 Hz, and restoring the grid frequency within the allowable band as specified in the Grid Code and for relieving congestion in the transmission network, to ensure smooth operation of the power system, and safety and security of the grid.</p> <p>Definitions and Interpretation</p>	To include Non-ISTS Lines and Natural ISTS Lines?
3.	f.	<p>"Nodal Agency" means the National Load Despatch Centre which shall be responsible for implementation of the Ancillary Services at the inter-State level through the Regional Load Despatch Centres;</p>	<p>"Nodal Agency" means the National Load Despatch Centre which shall be responsible for implementation of the Ancillary Services at the inter-State level through the Regional Load Despatch Centres and intra-State level through the State Load Despatch Centres.</p> <p>Rationale: The eligibility criteria for SRAS and TRAS provider includes generating station or an entity having energy storage resource or demand side resource, connected to inter-State transmission system or intra-State transmission system . Hence, SLDCs may be included.</p>
		Part I	
		Secondary Reserve Ancillary Service (SRAS)	
7.		<p>Eligibility for an SRAS Provider</p>	
	1.	<p>A generating station or an entity having energy storage resource or demand side resource, connected to inter-State transmission system or intra-State transmission system, shall be eligible to provide Secondary Reserve Ancillary Service, as an SRAS Provider, if it</p>	

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	1(c)	can provide minimum response of 1MW;	Regulation allows those generating stations connected to Intra-State transmission system which shall be eligible to provide Secondary Reserve Ancillary Services. Most of the States have not implemented Intra State ABT, Scheduling and Accounting is very difficult without the Intra State ABT.
	1(e)	is capable of responding to SRAS signal within 30 seconds and providing the entire SRAS capacity obligation within fifteen (15) minutes and sustaining at least for the next thirty (30) minutes;	During the event of responding to SRAS signal, sign change shall be exempted during such time for such entity.
	8.	Activation and Deployment of SRAS	
	1(a)	Area Control Error (ACE) of the region deviating from zero (0) and going beyond the minimum threshold limit of ± 10 MW;	Considering the capacity handled in the National Grid, the minimum threshold limit of ± 10 MW appears to be too low. The same shall be reassessed.
9.		Procurement of SRAS	
	5.	The SRAS Providers that are generating stations shall declare their variable charge upfront on monthly basis in the manner as stipulated in the Detailed Procedure.	Any change in the variable cost of generators subsequently due to change in the Heat Rate, GCV, Auxiliary Consumption and any Associated cost implication shall not be allowed to pay the difference amount. Further, while computing the compensation for the degradation of the heat rate and auxiliary consumption, additional quantum of energy generated due to PRAS and SRAS shall be taken into account.
	6.	The SRAS Provider other than the generating stations shall be required to declare the compensation charges upfront on monthly basis in the manner as stipulated in the Detailed Procedure.	As the Regulations specify that any entity having energy storage resource or demand side resource connected to inter State Transmission system or intra State transmission system shall be eligible to provide

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			Secondary Reserve Ancillary Services, however tariff of such generators are decided by themselves. There may be change of declaring the higher compensation charges or variable charges by the generators. Hence, Mechanism for ascertaining the actual price needs to be addressed including State Grid loss factor.
10.		Selection of SRAS Providers and Despatch of SRAS	
	6.	The Custom Participation Factor shall be calculated as specified in Appendix-I of these regulations.	The Custom Participation Factor shall be calculated as specified in Appendix-I in case generating station, but calculation of Custom Participation Factor for an entity having energy storage resource or demand side resource is not clearly specified in these regulations.
	10.	The SRAS Provider shall share real-time data with NLDC and the concerned RLDCs as stipulated in the Detailed Procedure.	The SRAS Provider shall share real-time data with NLDC and the concerned RLDCs/SIDCs as stipulated in the Detailed Procedure. Rationale: The eligibility criteria for SRAS provider includes generating station or an entity having energy storage resource or demand side resource, connected to inter-State transmission system or intra-State transmission system . Hence, SIDCs may be included.
	11.	Payment for SRAS	
	1.	SRAS Provider shall be paid from the Deviation and Ancillary Service Pool Account, at the rate of their variable charge or compensation charge, as declared by the SRAS Provider, as the case may be, for the SRAS-Up MW quantum despatched for every 15 minutes time block, calculated as per clause (12) of Regulation 10 of these regulations.	(1)SRAS-down Provider (in case of generating station) shall not pay back to the Deviation and Ancillary Service Pool Account, at the rate of their variable charge or compensation charge, as the case may be, for the SRAS-Down MW quantum despatched for every 15 minutes time block, calculated as per clause
	2.	SRAS Provider shall pay back to the Deviation and Ancillary Service Pool Account, at the rate of their variable charge or compensation	

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		charge, as the case may be, for the SRAS-Down MW quantum despatched for every 15 minutes time block, calculated as per clause (12) of Regulation 10 of these regulations.	(12) of Regulation 10 of these regulations. SRAS-Down MW quantum, SRAS Provider shall give the incentives as they are providing the support to the grid.
	3.	SRAS Provider shall be eligible for incentive based on performance as per Regulation 12 of these regulations.	(2)SRAS-down Provider (in case of entity having energy storage resource or demand side resource-active power draw or consumption) shall pay to the Deviation and Ancillary Service Pool Account, at the rate of ACP rate or IEX rate, whichever is lower, as the case may be, for the SRAS-Down MW quantum despatched for every 15 minutes time block, calculated as per clause (12) of Regulation 10 of these regulations.
	4.	Methodology of computation under clauses (1) to (3) of this Regulation shall be stipulated in the Detailed Procedure.	
12.		Performance of SRAS Provider and incentive	
	2.	All measurements of secondary control signals from the Nodal Agency to the control centre of the SRAS Provider and actual response of SRAS Provider shall be carried out on post-facto basis using SCADA data. Performance of the SRAS Provider shall be measured by the Nodal Agency by comparing the actual response measured against the secondary control signals for SRAS-Up and SRAS-Down sent every 4 seconds to the control centre of the SRAS Provider. The methodology for measurement of performance of SRAS Provider shall be as specified in Appendix-II of these regulations.	For the purpose of performance of SRAS the SCADA data is used and for deviation accounting, actual meter data is considered. Hence, clarification is required as there may be difference in SCADA (Real Time data) & actual meter data.
		Part II	
		Tertiary Reserve Ancillary Services (TRAS)	
19.		Payment for TRAS	
	1.	TRAS-Up Provider shall receive commitment charges at the rate of ten percent of the MCP-Energy-Up-DAM or the MCP-Energy-Up-RTM, as the case may be, subject to the ceiling of 20 paisa/kWh for the quantum of TRAS-Up cleared in the Day Ahead Market or the Real Time Market as the case may be, but not instructed to be despatched by the Nodal Agency.	In case there is no instructions to dispatch the quantum, such generators are eligible for 10% of the MCP-Energy-Up-DAM or the MCP-Energy-Up-RTM as the case may be subject to the ceiling of 20paise /kwh for the quantum. Clarity is required on who is going to bear the above commitment charges.

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			There are chances of gaming here, who has to monitor RRAS declaration etc.
	2.	The TRAS-Down Provider shall pay back to the Deviation and Ancillary Service Pool Account at the rate of their Energy-Down bid in the Day Ahead Market or the Real Time Market, as the case may be, for the capacity instructed to be despatched by the Nodal Agency.	(1)The TRAS-Down Provider shall pay back to the Deviation and Ancillary Service Pool Account at the rate of their Energy-Down bid in the Day Ahead Market or the Real Time Market, as the case may be, for the capacity instructed to be despatched by the Nodal Agency. (2)TRAS-down Provider (in case of entity having energy storage resource or demand side resource-active power draw) or consumption) shall pay to the Deviation and Ancillary Service Pool Account, the rate of their Energy-Down bid in the Day Ahead Market or the Real Time Market.
		Part III	
20.		<p style="text-align: center;">Shortfall in Procurement of SRAS and TRAS or Emergency Conditions</p> <p>Shortfall in Procurement of SRAS and TRAS or Emergency Conditions In case of shortfall</p>	
	3.	The generating stations as referred to in clause (1) of this Regulation, whose URS is despatched as SRAS-Down shall pay back to the Deviation and Ancillary Service Pool Account in terms of clause (2) of Regulation 11 and shall be paid incentive in terms of Regulation 12 of these regulations.	(1)SRAS-down Provider (in case of generating station) shall not pay back to the Deviation and Ancillary Service Pool Account, at the rate of their variable charge or compensation charge, as the case may be, for the SRAS-Down MW quantum despatched for every 15 minutes time block, calculated as per clause (12) of

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		<p>Regulation 10 of these regulations. SRAS-Down MW quantum, SRAS Provider shall give the incentives as they are providing the support to the grid.</p> <p>(2)SRAS-down Provider (in case of entity having energy storage resource or demand side resource-active power drawl or consumption) shall pay to the Deviation and Ancillary Service Pool Account, at the rate of ACP rate or IEX rate, whichever is lower, as the case may be, for the SRAS-Down MW quantum despatched for every 15 minutes time block, calculated as per clause (12) of Regulation 10 of these regulations.</p>
5.	<p>The generating stations as referred to in clause (1) of this Regulation, if despatched for TRAS-Down, shall pay back at the rate of their variable charges, corresponding to the quantum of TRAS-Down despatched.</p> <p>In case of emergency conditions</p>	<p>(1)TRAS-Down Provider (in case of generating station) shall not pay back to the Deviation and Ancillary Service Pool Account, the rate of their Energy-Down bid in the Day Ahead Market or the Real Time Market, as the case may be, for the capacity instructed to be despatched by the Nodal Agency. TRAS-Down MW quantum, SRAS Provider shall give the incentives as they are providing the support to the grid.</p> <p>(2)TRAS-down Provider (in case of entity having energy storage resource or demand side resource-active power drawl or consumption) shall pay to the Deviation and Ancillary Service Pool Account, the rate of their Energy-Down bid in the Day Ahead Market or the Real Time Market.</p>
6.	<p>In case the Nodal Agency requires any generating station to provide Ancillary Services for reasons of grid security as per the provisions of the Grid Code, such generating station shall be compensated at the rate of the energy charge as determined under Section 62 of the Act or adopted under Section 63 of the Act, or at the rate of the compensation charge declared by the AS provider, as the case may be.</p>	<p>In case the Nodal Agency requires any generating station to provide Ancillary Services to meet the emergency conditions for reasons of grid security as per the provisions of the Grid Code, such generating station shall be compensated at the rate of the energy charge as determined under Section 62 of the Act or adopted</p>

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			under Section 63 of the Act, or at the rate of the compensation charge to be specified with a ceiling limit, as the case may be.
		Part IV	
		Accounting and Settlement of SRAS and TRAS	
		Transmission charges and losses for SRAS Provider and TRAS Provider	
22.		No transmission charges or transmission losses or transmission deviation charges shall be payable for SRAS and TRAS.	Transmission charges and losses for SRAS Provided TRAS Provider shall be payable from the Real Deviation Pool Account Fund referred to in the Regulations, or any such Account as may be specified by the commission to the STU.
		Part V	
		Miscellaneous	
		Detailed Procedure	
23.	i.	Methodology of payment to SRAS and TRAS providers in case of deficit in the concerned Deviation and Ancillary Service Pool Account as referred to in clause (5) of Regulation 21 of these regulations;	Methodology of payment to SRAS and TRAS provider in case of deficit in the concerned Deviation and Ancillary Service Pool Account as referred to in clause (8) of Regulation 21 of these regulations;


Managing Director, 21/5/22,
FCKL, Bengaluru