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Grey Matter to Green Solutions

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Comments on "Draft Ancillary Services Regulations"

1. How does the regulation take into account Reactive Power Management and Procurement Mechanisms?
2. SRAS is proposed to be procured through an administered mechanism to start with. Whether the policy will include the payment (quantitatively) terms explicitly?
3. Is there any provision in the draft policy to support establishment of infrastructure by the secondary reserve service provider?
4. To get included as SRAS provider needs establishment of infrastructure. Having established the infrastructure, what is the assurance or probability of becoming a service provider
5. . The CAPEX cost may be higher in establishing fast ramping resource. What is the incentive and payment structure difference in service providers? CAPEX will be exorbitant for super capacitor storage and moderate to high for Lithium-ion BESS compared to other conventional storage systems. The ramp up/down time will be in seconds compared to 10 or 15 minutes in the case of conventional systems. There is no attraction in the draft policy to establish a service with super capacitor or Lithium-ion battery? Since the procurement is through administered mechanism a baseline payment terms may be included in the policy.
6. What Provisions exist to avoid market manipulation in market-based mechanism for the procurement of ancillary services?
7. How is the reactive power delivery accounted and compensated in the procurement mechanism?
8. If SRAS is a consumer, will they be charged for their consumption or paid for load adjustment?
9. Is there any differentiation between active and reactive power delivery?
10. Policy and regulation should address Dynamic pricing options such as time of use (TOU), critical peak pricing (CPP), critical peak rebate (CPR), real time pricing (RTP), and variable peak pricing (VPP), that reflect time-varying cost of electricity supply, have been in use worldwide to encourage peak load management and demand reduction. TOU, CPP, and CPR pricing options should be considered for SRAS to get better pricing.

11. Peak Time Rebate (PTR): PTR is similar to CPP, but instead of higher prices during peak periods on selected days, customers are paid to reduce load (technically, not a rate, but a pay-for-performance program). PTR allows customers to remain on their current flat rate while receiving a cash rebate for each kilowatt hour (kWh) of energy usage they reduce from their baseline usage during the peak hours.