



**BSES Yamuna Power Limited**

Shakti Kiran Building, Karkardooma,  
Delhi - 110032, India  
CIN : U40109DL2001PLC111525  
Tel. : +91 11 4124 7111  
Fax : +91 11 4124 9765  
www.bsedelhi.com

Ref: RA/BYPL/2021-22/96

Date: 14.07.2021

To,

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

**Subject: BYPL comments/ suggestions on draft Central Electricity Regulatory  
Commission (Ancillary Services) Regulations, 2021**

**Ref: 1. Hon'ble CERC's Public Notice no. RA-14026(11)/3/2019-CERC dated 29.05.2021  
and 30.06.2021.**

Sir,

We write this with reference to above mentioned Public Notices regarding submission of comments/ suggestions on draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021

In this regard, please find enclosed the BYPL comments as "Annexure-A", for kind consideration.

Thanking You,  
Yours faithfully,

**For BSES Yamuna Power Limited**

**Authorized Signatory**  
(Regulatory Affairs)

Encl: As above

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Registered Office: BSES Yamuna Power Ltd., Shakti Kiran Building, Karkardooma, Delhi-110032

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## BYPL Comments on “Draft Central Electricity Regulatory Commission(Ancillary Services) Regulations, 2021”

### General Comments

1. The role of Discoms is not very clear in these regulations except that they may offer to reduce demand against payment of Compensation. However, detailed mechanism for scheduling and dispatch would come with the amendment of Grid Code in due course and then only the position would become clear.
2. The ancillary services are insurance against any threat to grid safety and security and any insurance requires a premium to be paid for such insurance. Discoms will have to estimate and weigh the likely impact of procurement of these services by the system operator and benefit accruing to them.
3. The existing Reserve Regulation Ancillary Services (RRAS) has got merged in these Regulations by repealing the existing Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations, 2015.
4. The implementation of these regulation would require providing AGC in all units of the eligible generating station participating in ancillary market. Direction in this regard for AGC implementation in all central generating stations has already been issued by the CERC. Some of the NTPC stations are providing secondary ancillary services through AGC on pilot basis. Payments is on the lines of RRAS service providers.
5. Clearly state the protocols to be followed during the deployment:- The communication protocols, encryption/decryption requirements, authority to call for the services as well as the system upgrades requirements are important for such a deployment.
6. Initiate the market-based mechanism right away instead of waiting for its roll-out at a later date.
7. Provide a value-stack for the demand side resources deployed or already available.
8. Identify a band for the commitment charges as well as the cap but the detailed procedures should allow for adjusting the commitment fee and the absolute number on an annual basis, considering the market dynamics that may play out.
9. Identify “Aggregators/service providers” for the demand-side resources. Several energy services companies and large facilities can provide such services and specific guidelines be created for the participation of such aggregators

in the AS market.

Accordingly, para wiseComments are enclosed as under:

Sr no	Draft	BYPL Comments & Suggestions
1	Definition of "Ancillary Service" or "AS"	The definition of "Ancillary Service" or "AS" also includes services such as active power support for load following, reactive power support, black start services apart from Primary Reserve Ancillary Service, Secondary Reserve Ancillary Service, Tertiary Reserve Ancillary Service but the regulations has not mentioned about procurement of these services. It is high time that a mechanism for introducing these services is also devised.
2	Commitment charge"	"Commitment charge" means the amount payable to the TRAS Provider 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 for despatch. However, it is not clear as to how these commitment charges shall be decided and as to how the reasonableness of these Commitment Charges be judged.
3	Compensation charge	"Compensation charge" means the price declared by an SRAS Provider other than a generating station for participation in SRAS; Here also, it is not clear as to how the reasonableness of these Compensation Charges quoted by the SRAS Provider be judged.
4	Demand Response	"Demand Response" means variation in electricity consumption by end consumers or drawal by a control area, as per system requirement identified by the Nodal Agency; Here the role of Discoms is evident but what would be the mechanism it would be clear in NLDC Detailed Procedure or the Grid Code amendment.

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5	Deviation and Ancillary Service Pool Account regarding.	All payments shall be received or paid from the "Deviation and Ancillary Service Pool Account" which is nothing but the Regional Deviation Pool Account Fund referred to in the DSM Regulations, or stated to be any such Account as may be specified by the Commission; The payment into the account would generally be by the eligible Discoms for the overdrawals as DSM Charge or additional DSM Charges which are linked to DAM charges. For underdrawal also eligible Discom shall be compensated on DSM Charges linked to DAM Charges. As such, compensation charges to be quoted for demand response by eligible Discoms would be a challenging task and questionable before the State Regulator.
6	Tertiary Reserve Ancillary Service	"Tertiary Reserve Ancillary Service" or "TRAS" means the Ancillary Service comprising TRAS-Up and TRAS-Down and consists of spinning reserve or non-spinning reserve, which responds to despatch instructions from the Nodal Agency; The Commitment charges for providing TRAS-Up from non-spinning reserves shall be high.
7	Un-Requisitioned Surplus	"Un-Requisitioned Surplus" or "URS" means the capacity in a generating station that has not been requisitioned and is available for despatch, and is computed as the difference between the declared capacity of the generating station and its total schedule. It needs to be appreciated that all existing mechanisms such as revision of schedule by the Discoms, RRAS scheduling and generator participation in RTM are from the URS power of the available generating stations. As such, identifying generating stations for providing ancillary services on day ahead basis or in real time should be based on confirmation of Discoms/Beneficiaries for not scheduling certain URS capacity.
8	Regarding	These regulations shall be applicable to regional entities, including entities having energy

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	participation of State Generating stations and Private sector generating stations operating in the State.	storage resources and demand side resources qualified to provide Ancillary Services and other entities as provided in these regulations. The scope could be enlarged to have participation of State Generating stations and Private sector generating stations operating in the State. This may lead to competition in prices quoted.
9	Methodology of Estimation of Reserves	The methodology of Estimation of Reserves by the Nodal Agency shall be based on such methodology as specified in the Grid Code. As such, any comment can be made then.
10	Eligibility for an SRAS Provider	No comment at this stage
11	The condition of Activation and Deployment of SRAS-	should be clearly specified in the Grid Code and there should be a system of regulatory oversight for verification of occurrences of such events.
12	Performance of SRAS Provider and incentive	There is no penalty of non-performance or less performance. As such, the performance below 60% should not be incentivized. Further the incentive rate of 40 paise/kWh is very high. The basis of incentive of 40 Paise/kWh needs to be explained
13	Activation and Deployment of TRAS	The condition of activation and deployment of TRAS should be clearly specified in the Grid Code and there should be a system of regulatory oversight for verification of occurrences of such events.
14	Payment for TRAS-	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 paise/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. The basis of 10% and ceiling of 20 paise/kWh may be explained. Further, the capacity scheduled for SRAS and TRAS should be excluded for

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		the purpose of DSM.
15	Shortfall in Procurement of SRAS and TRAS or Emergency Conditions	The emergency conditions should be specified in clear terms.