



Enel Green Power India Private Limited
14th Floor, Tower B, Vatika Towers,
DLF Golf Course Road, Suncity, Sector 54,
Gurugram – 122003, T: +91-124-5036899
CIN: U40102DL2010PTC206875
Email: infoegpindia@enel.com
Web: www.enelgreenpower.com

Ref. No.: Enel/India/CERC/2021/RA/10

Date 15.07.2021

To

The Secretary

Central Electricity Regulatory Commission (CERC)

3rd & 4th Floor, Chanderlok Building, 36, Janpath

New Delhi – 110001, India

E-mail : secy@cercind.gov.in

Phone : +91 – 11 – 23353503

Fax : +91 – 11 – 23753920

Subject : Views and Comments on Draft Central Electricity Regulatory Commission
(Ancillary Services) Regulations, 2021

We thank you for seeking views of all interested stakeholders on the Draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021 dated 29th May 2021. Our suggestions/comments are enclosed herewith and placed at “Annexure” for your kind consideration.

We humbly request you to consider our submission favourably and please do let us know should you require any further clarification.

Thanking you.

Yours Sincerely

For Enel Green Power India Pvt Ltd.

(Sandy Khera)

Chief Executive Officer & Director

sandy.khera@enel.com

Enclosure: Annexure

ANNEXURE: OBSERVATIONS/RECOMMENDATIONS ON DRAFT CENTRAL ELECTRICITY

REGULATORY COMMISSION (ANCILLARY SERVICES) REGULATIONS, 2021

Sl. No.	Section	Existing Provision/Proposed Amendment	Recommended/ New Provision	Justification/ Suggestion
1	Proposed New addition		<i>Definition of Control Area to be included</i>	It may be noted that the term Control area has been widely used in the extant regulations. While, it broadly gives an impression upon a simple reading of the extant draft that the term is probably referring to a region (like ER, NR, SR, NER, WR) as far as the ancillary services are concerned, the specific definition of the term is not included which may lead to stakeholders making varied assumptions which may lead to confusion and disputes at a later stage. Hence, it would be appropriate that control area may be specifically defined.
2	Proposed New addition		<i>Scope of the Regulation may be included</i>	RE Projects based on technologies of Solar and Wind which are dependent on forces of nature and are cannot be governed. Thus, It may be clarified that such regulations shall be applicable only for Generation plants other than generation project technologies of Wind and Solar.
3	Proposed New addition		<i>Obligation of Nodal Agency to maintain a minimum back up for emergency situations.</i>	Considering the growing contribution of RE in generation mix, it has become a need that the Nodal agency includes a completely independent storage capacity to act as a spinning reserve at its own disposal for situations of emergency like complete blackout. To promote such storage, we may rely on options of tariff determination route under section 62 to encourage investment. Alternatively, market models may be developed to incentivize and encourage development of standalone storage or hybrid storage projects and costs of such obligation may be spread across the DICs.

Sl. No.	Section	Existing Provision/Proposed Amendment	Recommended/ New Provision	Justification/ Suggestion
4	3 (v)	v. "Secondary Reserve Ancillary Service Provider" or "SRAS Provider" means an entity which provides SRAS-Up or SRAS-Down in accordance with these regulations;	v. "Secondary Reserve Ancillary Service Provider" or "SRAS Provider" means an entity which provides SRAS-Up or SRAS-Down in accordance with these regulations <i>and it shall include standalone battery energy storage operators ;</i>	India as a sector does not have a stipulated framework for Battery operated storage services. Considering the growing footprint of RE, it is necessary to develop mechanisms and framework for Battery Energy Storage Services.
5	6 (2)	(2) The Nodal Agency shall re-assess the quantum of requirement of SRAS and TRAS on day-ahead basis and incremental requirement, if any, on real time basis.	(2) The Nodal Agency shall re-assess the quantum of requirement of SRAS and TRAS on day-ahead basis and incremental requirement, if any, on real time basis <i>and shall bid for such quantum on market platforms specifically developed for determining the market clearing price of Ancillary Services.</i>	1. The purpose of existing conventional Day ahead Market(DAM) and Real Time Market (RTM) are different from that of DAM and RTM being envisaged for Ancillary services. Hence, such markets shall operate independently. 2. It may also be clarified that actual instruction of despatch of RRAS shall be given as per the detailed procedure which shall not be at a delayed stage than the stage at which is currently instructed as the current instruction is already given in the second last time block of the delivery time block. Hence, any further delay in such instruction would make it far more challenging for the generators to comply with such instruction.
6	9 (2)	(2) An SRAS Provider willing to participate in SRAS shall be required to provide standing consent to the Nodal Agency for participation, which shall remain valid till it is modified or withdrawn: Provided that standing consent cannot be modified or withdrawn without giving notice of at least forty-eight hours.	(2) An SRAS Provider willing to participate in SRAS shall be required to provide standing consent to the Nodal Agency for participation, which shall remain valid till it is modified or withdrawn: Provided that standing consent cannot be modified or withdrawn without giving notice of at least forty-eight hours.	The Draft Regulation stipulates that based on review of the operation of SRAS, Hon'ble Commission may direct procurement of SRAS through market-based bidding mechanism which may be specified separately. In such circumstances, prices of SRAS would be determined on DAM and RTM and generators would come to know about their feasibility only after that. Also, we appreciate the fact that SRAS upon first time implementation might require the system operator to assess, gauge, recalibrate the timeframe for smooth operation of SRAS system. Thus, such condition of giving a notice of 48 hours may be removed from regulations. Such minimum timeframe of withdrawing consent shall be assessed and kept as minimum as

Sl. No.	Section	Existing Provision/Proposed Amendment	Recommended/ New Provision	Justification/ Suggestion
				possible in procedures to be developed by POSOCO from time to time after carrying out simulation run and related studies.
7	12 (3)	<i>(3) SRAS Provider shall be eligible for incentive based on the performance measured as per clause (2) of this Regulation and the 5-minute MWh data calculated for SRAS-Up and SRAS-Down as per clause (11) of Regulation 10 of these regulations and aggregated over a day, as under:</i>	.	TRAS providers in existing mechanism are compensated with variable charges and an additional amount of Rs 0.50/kWh. The compensation of Rs 0.50/kWh shall also be maintained as a minimum compensation for SRAS providers and shall be further increased depending on performance. This would encourage the generators to incorporate AGC system in their respective projects at the earliest.
8	9 (8)	<i>(8) In case of the generating stations whose tariff is determined by the Commission under Section 62 of the Act, the Nodal Agency shall identify the generating stations for providing SRAS,</i>	<i>(8) In case of the generating stations whose tariff is determined by the Commission under Section 62 of the Act or whose tariff is adopted under section 63, the Nodal Agency shall identify the generating stations for providing SRAS,</i>	In the years to come, with expiry of existing long term PPAs under section 62, PPAs under section 63 would be more prevalent. Under such situation, SRAS obligation shall not be limited to projects operating under section 62 but also for conventional projects operating under section 63. This will also be more relevant with growing share of RE in generation mix.
10	13 (1)	<i>13. Failure in performance of SRAS Provider (1) Performance below 20% for two consecutive days by an SRAS Provider shall make the SRAS Provider liable for disqualification for participation in SRAS for a week by the Nodal Agency.</i>	<i>13. Failure in performance of SRAS Provider (1) Performance below 20% for a consolidated period of minimum timeframe for withdrawing standing notice and twenty four hours three consecutive days by an SRAS Provider shall make the SRAS Provider liable for disqualification for participation in SRAS for a week by the Nodal Agency.</i>	Regulation 9(2) stipulates that the consent for SRAS could not be withdrawn or modified without giving a 48 hour notice. On the other hand, if a generator fails to demonstrate performance below 20% for two consecutive days, the generator would be disqualified. In such a scenario, after giving consent, if a generator faces some trouble with AGC system which continues for three days, the 48 hour condition of notice would constrain the generator from withdrawing the consent, whereas on the other hand would be forced to default for two continuous days. In such a scenario, a generator with a genuine intention may also get penalised and thus such minimum performance period shall be extended to at least 24 hours beyond such minimum time limit to withdraw

Sl. No.	Section	Existing Provision/Proposed Amendment	Recommended/ New Provision	Justification/ Suggestion
				standing consent which is currently stipulated as forty eight hours. This is required to demonstrate the bonafide of generator.
13	16 (2)	<p>16. Procurement of TRAS</p> <p>...</p> <p>(2) <i>Sell Bid: The TRAS Providers shall submit bids in the following manner:</i></p> <p>(a) <i>Bids for TRAS-Up and TRAS-Down shall be submitted for each time block or for a minimum of two consecutive time blocks in the Day Ahead Market or in the Real Time Market.</i></p>		The purpose and the timelines of existing conventional Day ahead Market(DAM) and Real Time Market (RTM) are different from that of DAM and RTM being envisaged for Ancillary services. Hence, such markets shall operate independently.
15	21 (3)	<p>(3) <i>Deviation of AS Provider in every 15 minutes time block shall be calculated as under and settled as per the procedure of DSM Regulations:</i></p> <p><i>MWh Deviation for AS Provider = (Actual MWh of AS Provider) – (Scheduled MWh of AS Provider including TRAS MWh) – (SRAS MWh of AS Provider)</i></p>	<p>(3) <i>Deviation of AS Provider in every 15 minutes time block shall be calculated as under and settled as per the procedure of DSM Regulations:</i></p> <p><i>MWh Deviation for AS Provider = (Actual MWh of AS Provider) – (Scheduled MWh of AS Provider including TRAS MWh) – (SRAS MWh of AS Provider instructed for dispatch by Nodal Agency)</i></p>	The proposed inclusion is just to add clarity so that such SRAS MWh may not be confused with cleared volume but the quantum for which SRAS dispatch instruction has actually been received by the AS provider.
16	21 (8)	<p>(8) <i>In case of deficit in the Deviation and Ancillary Service Pool Account for payment to SRAS Providers and TRAS Providers, surplus amount available in other Deviation and</i></p>	<p>(8) <i>In case of deficit in the Deviation and Ancillary Service Pool Account for payment to SRAS Providers and TRAS Providers, surplus amount available in other Deviation and</i></p>	<ol style="list-style-type: none"> 1. Clarity is sought whether the deviation settlement account for ancillary services providers would be the same as the existing DSM pool account. 2. Clarity is sought that may this other Deviation and Ancillary Service Pool may be defined and under what

Sl. No.	Section	Existing Provision/Proposed Amendment	Recommended/ New Provision	Justification/ Suggestion
		<i>Ancillary Service Pool Account shall be used for such payment, as per the methodology stipulated in the Detailed Procedure.</i>	<i>Ancillary Service Pool Account shall be used for such payment, as per the methodology stipulated in the Detailed Procedure.</i>	possible circumstances such other pool account would be triggered.