

IGT/R&C/2021-22/68

July 15, 2021

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

Subject: Comments/Suggestions on draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021

Dear Sir,

We, **India Grid Trust (IndiGrid)** is India's first Power Sector Infrastructure Investment Trust that is focused on owning power transmission and renewable energy assets. It was established in 2016 and is registered with SEBI pursuant to the InvIT Regulations.

We understand that Hon'ble Commission has published draft draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021 for inviting the comments/suggestions from Stakeholders.

We hereby submit our comments/suggestions on such draft Regulations.

Thanking you,

Yours Sincerely,

For India Grid Trust



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Enclosed:

Comments on draft Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021

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Sr. No.	Regulation No.	Draft Regulation	Proposed Changes in Draft Regulations	Comments from IndiGrid
1.	4	<p>Scope These regulations shall be applicable to regional entities, including entities having energy storage resources and demand side resources qualified to provide Ancillary Services and other entities as provided in these regulations.</p>	<p>"regional entity" means a person who is under RLDC control area and whose metering and energy accounting is done at the regional level;</p> <p>"entity" means a person or generating company or licensee who are operating/intend to own and operate the ancillary services under these Regulations or Grid Code, as amended from time to time.</p>	<p>As regards the applicability of these Regulations, the definition of Entity or Regional Entity is not provided in draft Regulations. In order to provide ample clarity, the definition of entity and regional entity may be added.</p> <p>Also, at present, the existing transmission licensees are providing the reactive energy support based on the directives of System Operator. The existing Transmission Licensees (TBCB as well as RTM projects) be allowed to participate through implementation of storage as a separate entity or as part of their other business.</p>
2.	9.1	<p>Procurement of SRAS (1) SRAS shall be procured on regional basis by the Nodal Agency through the mechanism as specified in this Regulation: Provided that the Commission, based on review of the operation of SRAS, may direct procurement of SRAS through market-based bidding mechanism to be specified separately.</p>	<p>Provided that the Commission, based on review of the operation of SRAS after three years from the date of notification of these Regulations, may direct procurement of SRAS through market-based bidding mechanism to be specified separately.</p>	<p>It is suggested to provide the review period for operation of SRAS in order to have regulatory certainty on the mechanism provided in these regulations. Also, separate consultative "Review process" may also be added considering the comprehensive review of operation of Ancillary services (primary, SRAS and TRAS).</p>
3.	9.2	<p>Procurement of SRAS (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.</p>	<p>Provided also that, in case of emergency condition or any failure, SRAS provided shall modify or withdraw standing consent for participation with prior notice detailing such emergency condition or any failure.</p>	<p>It is suggested that, in case of emergency condition or any failure, the standing consent given earlier shall be allowed to modify or withdraw after citing the detailed rationale for emergency conditions or any failure.</p>

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4.	9.5	<p>(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.</p> <p>(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.</p>		<p>As per the proposed draft Regulations, SRAS provider shall declare their variable charge and compensatory charges upfront on monthly basis.</p> <p>In case of Generating stations, the tariff for such stations is either determined or adopted by the Commission.</p> <p>Moreover, for SRAS provider such as energy storage, demand response etc., it is not clear whether such variable charge is to be declared unilaterally by SRAS provider or a special Petition is required to be filed for determination or adoption of such variable Charge before the Commission.</p> <p>Hence, it is requested to provide ample clarity on the declaration of such variable charge for SRAS provider. Also, the tariff regulations or other regulations under which such variable charge is to be determined or adopted may also be clarified.</p>
5.		<p>(11) Average of SRAS-Up and SRAS-Down MW data shall be calculated by the Nodal Agency for every 5 minutes in absolute terms using archived SCADA data at the Nodal Agency and reconciled with the data received at the control centre of the SRAS Provider and shall be used for payment of incentive as per Regulation 12 of these regulations.</p> <p>(12) Average of SRAS-Up and SRAS-Down MW data shall be calculated for every 15 minutes time block in MWh for every SRAS Provider by the Nodal Agency using the archived SCADA data at the Nodal Agency and reconciled with</p>	<p>The methodology for metering, accounting and computation of SRAS-up and SRAS-Down data, as mentioned in Clause (11) and (12) above, required for payment of incentive, variable charge or compensation charge shall be stipulated in the Detailed Procedure.</p>	<p>It is suggested that the detailed procedure shall comprehensively covered the metering requirement, energy accounting and computation of data required for payment of variable charge or compensatory charge and incentive.</p> <p>Further, Regulation 12 provides for incentive based on 5 minute MWh data. Hence, data requirement in MW and MWh may be clearly mentioned.</p>

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		the data received at control centre of the SRAS Provider and shall be used for payment of variable charge or compensation charge, as the case may be, to the SRAS Provider as per Regulation 11 of these regulations.		
6.	1	<p>Short Title and Commencement</p> <p>(2) These regulations shall come into force with effect from such date as may be notified by the Commission.</p>		From Draft Regulations, it is noted that, the detailed procedure to be issued by Nodal Agency is key to successful operation of Ancillary services. It is expected to issue detailed procedure in three months from date of notification of these Regulations. During such period, all ancillary services transactions may be allowed to be governed by existing regulations.
7.	21.4	<p>(4) The Deviation and Ancillary Service Pool Account shall be charged for:</p> <p>(a) the full cost of despatched SRAS-Up including the variable charge or the energy charge or the compensation charge, as the case may be, for every time-block on a regional basis as well as the incentive for SRAS, payable to the concerned SRAS Provider; and</p> <p>(b) the full cost towards TRAS-Up including the charges for the quantum cleared and despatched and the commitment charge for the quantum cleared but not despatched.</p>	(a) the full cost of despatched SRAS-Up including the variable charge or the energy charge or the compensation charge, as the case may be, for every time-block on a regional basis as well as the incentive for SRAS , payable to the concerned SRAS Provider; and	The payment to AS providers has been proposed to be made on actual basis. Also, incentive is applicable based on performance of the AS with respect to response given to signal. Hence, the consideration of incentive for deviation settlement may be reviewed.