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STAKEHOLDER COMMENT

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Comment Details

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Attachment

Document Type	Description	File Name
Comment		Comments.pdf
Comment		Comments.docx

Comments on behalf of MP Power Management Company on the draft CERC Indian Electricity Grid Code (IEGC), Regulations, 2022

Hon'ble Central Electricity Regulatory Commission (CERC) has issued the draft IEGC Regulations 2022 and has invited comments/ suggestions/ objections on the same from the stakeholders till 31.08.2022. Later the last date was extended till 30.09.2022. In this regard, the MPPMCL is hereby submitting its comments on the draft IEGC for kind consideration of the Hon'ble Central Commission.

1. RESOURCE PLANNING CODE:

Comments on Regulation 5:

Demand Forecasting and Generation Resource Adequacy Planning- It is observed that a mechanism has been proposed under which Discom will plan its resource adequacy and submit it to SLDC which will travel to NLDC through RLDC. This mechanism has bypassed CEA which is Central Technical Body assigned with the task of annual demand projection of States/ Country as per the provisions of section 70 of the Electricity Act, 2003 which cannot be undermined through regulations. **It is therefore proposed that the task of demand forecasting & resource adequacy should be left with Discoms & CEA who shall eventually consider inputs from Grid Operators also. The generation mix, demand management, choice of type of power should be better decided by Discoms who are expected to incur cost. The proposed amendment of determining resource adequacy by Grid Operators will not protect the interests of the end consumers and it is proposed that this should be reviewed.**

It is to further mention that no historical data of consumer category wise sales are available for daily/hour to hour basis as meter readings/assessments (in case of unmetered connections) are done on monthly basis only. In the State of Madhya Pradesh, Partial End Use Method (PEUM), as prescribed by CEA, is being used for Long Term Demand Forecasting. This method is designed to assess consumer category wise sales on YEARLY basis. The PEUM uses mid-year averages of various growth indicators, and predicts the energy consumption on yearly basis and thereafter loss component is added to assess yearly energy requirement on Long Term basis, i.e., for 5 years to 10 years.

It is also worthwhile to mention that the Demand Forecasting is done Discoms wise, by segregating each Discom into Urban and Rural Areas. The Urban and Rural areas are further segregated into 12 consumer categories. Each consumer category is analysed on the basis of at least two growth indicators. This exercise involves huge

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quantum of historical yearly data, of at least past ten years, and thus suitable for yearly forecasts only.

As the long term forecasting is done on yearly basis only, and no long term forecasting is done for monthly or hourly intervals, therefore it is not possible to plot daily load curve on hourly basis for a typical day of each month.

It is therefore proposed to delete the portion “*and shall include daily load curve (hourly basis) for a typical day of each month*” of Regulation 5 (2) (i).

2. CONNECTION CODE:

Comments on Regulation 6:

Schedule of assets of Regional Grid

Existing code has following provisions: - “CTU and other transmission licensees granted license by CERC shall submit annually to CERC by 30th September each year a schedule of transmission assets, which constitute the Regional Grid as on 31st March of that year indicating ownership on which RLDC has operational control and responsibility.” This provision has been dropped in the proposed draft regulations. **The rationale behind dropping this provision from the draft Regulations may kindly be provided. In absence of schedule of declared assets how demarcation of ownership control and responsibility over the assets will be established.**

3. COMMISSIONING AND COMMERCIAL OPERATION CODE:

(a) Comments on Regulation 25(1):

Certificate of successful trial run

Draft regulation 25 (1) provides that In case any objection is raised by a beneficiary in writing to the concerned RLDC with copy to all concerned regarding the trial run within two (2) days of completion of such trial run, the concerned RLDC shall, within five (5) days of receipt of such objection, in coordination with the concerned entity and the beneficiaries, decide if the trial run was successful or there is a need for repeat trial run.

In existing code, SLDC/LDC are expected to verify the process/ data of trial runs and issue notices to Generating Company for discrepancies on its own. The time limit for data verification has also been reduced which may completely frustrate the purpose. The existing provisions should be retained and proposed provision may be revised as under:-

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“25 (1) provides that In case any objection is raised by a beneficiary in writing to the concerned RLDC/ SLDC as the case may be with copy to all concerned regarding the trial run within seven (7) days of completion of such trial run or any discrepancy is noticed by concerned RLDC/ SLDC, the concerned RLDC/ SLDC shall, within five (5) days of receipt of such objection or noticing such discrepancy, in coordination with the concerned entity and the beneficiaries, decide if the trial run was successful or there is a need for repeat trial run.

(b)Comments on Regulation 26(1)(b),26(2)(b), 26(3)(a) & 26(4)(a):

Certificate of successful trial run

The existing provisions stipulates that The Generating Company shall submit approval of Board of Directors to the certificates as required under clause (iii) within a period of 3 months of COD. These provisions have been dropped from the draft amendments without specifying any justification in its support. **The existing provision should continue as the certificates are for meeting the relevant requirements and provisions of the CEA that are critically important in nature. Further, approval from board of directors plays an important role in approval of capex cost & also at the time of prudence check. The existing provision may be retained.**

(c)Comments on Regulation 27:

Declaration of Commercial Operation (DOCO) and Commercial Operation Date (COD)

Draft 27. (1) (a) (i) regulation stipulates that The commercial operation date in case of a unit of the thermal generation station shall be the date declared by the generating company after successful trial run at MCR or de-rated capacity as per Regulation 22 (1) (b), as the case may be, and submission of declaration as per Regulation 26(1) of these regulations.

It is observed that the definition of COD has been diluted in the draft IEGC with respect to the existing provisions. The COD is a critical parameter that should not be diluted in any case. A lot of cases in the matter of resolution of Commercial Operation Date (COD) filed by the aggrieved parties every year before the Commissions/Tribunals/Courts of Law. For maintaining clarity in this matter, it is pertinent to adopt the definition as per the existing IEGC that should necessarily have the provision of “getting clearance from the respective RLDC or SLDC” for all, i.e., Thermal, Hydro, Renewable Generator and Transmission elements.

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4. OPERATING CODE-Real Time Operation:

Comments on Regulation 35(5)(b):

A new regulation has been proposed in the draft viz 35. (5) (b). Any planned operation activity in ISTS system such as transmission element opening or closing (including breakers), protection system outage, SPS outage and testing etc. shall be done by taking operational code from RLDC or NLDC, as the case may be. The operational code shall have validity period of thirty (30) minutes from the time of issue. In case such operation activity does not take place within the validity period of the code, the entity shall obtain a fresh operational code from RLDC or NLDC, as the case may be.

The Draft Code proposes that for a planned operational activity, the entity shall take an operational code from RLDC or NLDC. Further, such code to have validity of 30 mins for such operation to take place. However, such provision was not present in the existing Code and for any operational Code issued by RLDC or NLDC only the following is specified in the existing Code-

“All operational instructions given by RLDC and SLDC shall have unique codes which shall be recorded and maintained as specified in Central Electricity Authority (Grid Standards) Regulations.”

It may again be submitted that CEA carries the expertise for formulating Grid Standards and the same should continue. So, either the existing provision should be continued as per the CEA Regulations or reference of standard should be provided that has been considered for the proposed provision.

5. SCHEDULING & DESPATCH CODE:

(a) Comments on Regulation 44:

Responsibilities of Load Despatch Centres (Regulation 44)

A typical scenario has been observed that some of the IPPs with partial contracted capacity with MPPMCL has given net injection schedule exceeding the declared capacity on the portal of RLDC resulting into undue benefits to IPPs at the cost of Discoms. Matter was referred to WRLDC for proper validation to ensure that net injection schedule should not exceed the declared capacity but WRLDC is hesitant to take action in this regard and have not responded in the matter. As a matter of fact, net injection schedule has to be equal to or less than the declared capacity and cannot be more than DC and if any Generator tries to fill net injection schedule exceeding the declared capacity by mentioning higher merchant capacity, portal should reject such schedule. Since WRLDC is reluctant to initiate action in this regard on its own,

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regulatory provisions under regulation 44 needs to be made assigning Load Despatch Centres responsibility of validating net injection schedule with declared capacity.

(b) Comments on Regulation 45:

General Provisions (Regulation 45)

General Provisions (Regulation 45) - In order to ensure responsibility as proposed in regulation 44 as above, clause 45(6) may also be modified as under:-

(6) Adherence to Schedule:

Each regional entity shall regulate its generation or demand or both, as the case may be, so as to adhere to schedule of net injection into or drawl from the inter-State transmission system.

Provided that the net injection schedule of the regional entity shall not exceed the declared capacity in all the time blocks.

(c) Comments on Regulation 45(12):

In this section, Technical Minimum (TMM) is defined as Minimum Turndown Level. Under this clause, options have been given to Commission or Generators to declare Minimum Turndown Level below 55%.

It is also mentioned that generating stations shall be compensated for the generation below the normative level. Presently TMM is 55% and compensation is being paid up to TMM below the normative level for part load operations. Now, if generating station declares its Minimum Turndown Level 40% then Discoms will have an additional burden of compensation up to 40% or below 55% up to Minimum Turndown Level as declared by Commission or Generators.

With this fact, Generators should be allowed for Minimum Turndown Level to go below 55% for operation purpose with the condition that payment of compensation should be allowed up to 55%.

(d) Comments on Regulation 46:

Clause-4(a)

By 15:30 Hrs of D-1 day, 'D' being the day of delivery, NLDC in coordination with RLDC shall publish a tentative list of generating stations units thereof, which are likely to be scheduled below the minimum turn down level of the respective stations for some or all time blocks of the D day, based on beneficiary requisitions and initial unconstrained bid results of DAM in power exchanges, received till 13.00 Hrs of the D-1 day.

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Clause-4(b)

Beneficiaries of such stations, whose units are likely to be scheduled below minimum turndown level for some or all time blocks of the D-day shall be permitted to revised their requisitions from such stations by 17:30 Hrs of D-1 day, in order to enable such units to be on bar. The revised requisition from the said generating stations, once confirmed by the beneficiaries by 17:30 Hrs of D-1 day, shall be final and binding after 17:30 Hrs of D-1 day and further reduction in drawal schedule shall not be allowed from such stations for such time blocks.

Clause-4(c)

After 17:30 Hrs the NLDC in coordination with RLDCs shall prepare the final list of such generating units that are likely to go below their minimum turndown level and such generating units shall be stacked as per merit order that is in the order of the lowest variable charge to the highest variable charge. The generating units so identified shall be considered for undertaking SCUC.

Clause-4(d)

If the NLDC in coordination with RLDCs, after considering the bid results as finalised and available from DAM-AS anticipates shortfall of reserves in D day due to(i) extreme variation in weather conditions, (ii) high load forecast(iii) the requirement of maintaining reserves on regional or all India basis for grid security, (iv) network congestion, NLDC may schedule incremental energy from the generating units in the list referred to in sub-clause© of clause 4 of this regulation, so as to bring such units to their minimum turndown level, in order to maximize availability on-bar units, by 19:00 Hrs of D-1 day and update the list on the respective RLDC website.

(e)Comments on Regulation 47(1)(i):

Unrequisitioned surplus is the surplus available with a generator if any beneficiary does not schedule the entire allocated share. Any entity can schedule the unrequisitioned surplus by paying applicable fixed & variable charges. The beneficiary has also the right to recall the unscheduled power. Presently generator is allowed to sell its surplus power in RTM or gets scheduled in SCED in real-time.

Now, according to the draft Regulation, Generator can sell its unrequisitioned surplus in the day-ahead market. Because of this mechanism, if any real-time variation in demand occurs then drawl entities will not have any choice to schedule their power, and this will lead to schedule higher VC power. The mechanism for profit sharing by selling power by generator in the Day-ahead market is also not defined.

Discoms will have the burden of fixed charges which is being shared currently by the generator to the original beneficiary against scheduling of unrequisitioned surplus

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power by other States and will also lose the option of the right to recall. In this regards, Section 47 (1- (i)) of chapter 7 should be removed.

6. MONITORING AND COMPLIANCE CODE:

Comments on Regulation 53:

Monitoring of Compliance

The Draft Code 53 proposes to conduct Annual Self-audits to review compliance of the provisions stipulated in the draft Code and subsequently to submit the reports by 31st July of every year.

This would be an additional burden on the users as the Draft proposes that the users have to submit the compliance to different provisions as stipulated in various Chapters of the draft to concerned entities. Again, submitting the self-audit (compliance) report to the RLDC or SLDC will be an additional burden and repeated exercise for the users. Accordingly, the proposed provision may be dropped.

7. Annexure-4:

REACTIVE POWER COMPENSATION:

The draft Code proposes to reduce the Reactive Energy Charges (kVArh) from 10 Paise to 5 Paise/kVArh.

The Draft Code propose that- *“to discourage Var drawals by regional entities, Var exchanges with ISTS shall be priced...”*, however, by reducing the charges the draft Code has defies the objective of discouraging the Var drawals.

So, the existing provision of charging 10 Paise/kVArh should continue.

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Comments on behalf of MP Power Management Company on the draft CERC Indian Electricity Grid Code (IEGC), Regulations, 2022

We have already submitted our comments on draft CERC (IEGC) Regulations, 2022 on the portal of Hon'ble Commission on 18th October 2022. **In this context it is submitted that the comments submitted in respect of draft Regulation 45(12) contains inadvertent errors and are hereby modified and replaced with following submissions.** Thus revised suggestions/comments on behalf of MPPMCL on the Regulation 45(12) of the draft IEGC, 2022 are being submitted hereunder for kind consideration of the Hon'ble Commission:-

(a) Comments on Regulation 45(12):

The draft Regulation 45(12) provides that, Commission or Generators may fix through an order or may declare Minimum Turndown Level below 55% of MCR. The third proviso to draft Regulation 45(12) provides that the regional entity thermal generating stations shall be compensated for generation below the normative level either as per the mechanism of Tariff Regulations or in terms of contract entered into by such generating station with the beneficiaries.

In this context, it is proposed that the regional entity thermal generating stations shall not be compensated for generation below the normative level in any manner as neither existing PPA provides for such compensation nor the Tariff Regulations provides for such provisions, as the beneficiaries are required to pay the Annual Fixed Charges or capacity charges to generating company according to their DC even in case of non-scheduling of power or unit going under USD thus mitigating the loss. Further till year 2017 no such compensation was allowed to the generating stations, even then the central sector generating stations were operating efficiently on sound financial footings

with no kind of adverse impact of operations below normative levels. As a matter of fact this is the business or commercial risk of the Generator as they are not able to offer cheaper Energy Charges to get sufficient schedules in accordance with MOD and it is highly unjustified to pass on this commercial risk of generator on the ultimate consumer of electricity. The introduction of compensation clause is not only against the provisions of PPA but it also results in promoting inefficiency and incapability on the part of generating stations of not offering the energy at competitive energy charges to get sufficient schedule in accordance with merit order dispatch principle. It is humbly prayed that this provision of liability of payment of compensation to generating station for operation below normative levels may kindly be reviewed and revoked to safeguard the interest of the end consumer as stipulated in Section 61 (d) of Electricity Act, 2003.

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