From: Tapan Pandya / Regulatory Affairs / SUGEN
Sent: 31 October 2022 13:34
To: secy@cercind.gov.in<mailto:secy@cercind.gov.in>; shilpa@cercind.gov.in<mailto:shilpa@cercind.gov.in>
Cc: Jigish Mehta <JigishMehta@torrentpower.com<mailto:JigishMehta@torrentpower.com>>; Ronak Naik / Power Marketing / SUGEN <ronaknaik@torrentpower.com<mailto:ronaknaik@torrentpower.com>>
Subject: Comments_Indian Electricity Grid Code Regulations - From Torrent Power Limited

Dear Sir/ Madam,

This is with reference to the comments invited by the Hon'ble Commission for Draft CERC (Indian Electricity Grid Code) Regulations, 2022.

In this regard, we take this opportunity to express our gratitude to the Hon'ble Commission for giving us an opportunity to submit our comments/ suggestions on the Draft Regulations.

We earnestly request you to give due consideration to our comments/ suggestions while finalizing the notification on Draft Regulations.

Thanking You.

Yours faithfully,

Tapan Pandya

AGM

Torrent Power Limited

At the outset, we take this opportunity to express our sincere gratitude to the Hon'ble Commission for formulating the draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations-2022 and giving us an opportunity to present our views on the subject matter.

In this background, our comments/suggestions are as under:

Sl. No.	Existing Clause	Comments/ Suggestions
1	**Clause 19**	It may kindly be noted that control area jurisdiction of regional/state load despatch centre has been duly specified in Clause 43 of this draft regulations. In accordance with the same, generating station would be required to sought permission from the regional/state load despatch centre based on the quantum of connectivity. **Request:** Therefore, it is requested to modify the clause suitably to provide enabling provisions for both RLDC as well as SLDC for the applicable procedures.
2	**Clause 19 (3)** Notwithstanding the provision of clause (2) of this Regulation, the Commission may in exceptional circumstances, allow extension of the period for inter-change of power beyond the stipulated period on an application made by the generating station at least two months in advance of completion of the stipulated period.	It is humbly submitted that recovery of any generation project starts when energy is injected into the grid and revenue is realised from the beneficiaries. During execution of the Project any developer faces numerous challenges including delays due to Force Majeure or reasons not attributable to the Developer. It can't be the motive of any developer to delay execution of the project as any delay would increase cost of the project due to IDC. Passing through of such additional cost entirely depends on the contract between the parties. It may also be noted that any delay would also affect recovery of the investment for the developer. It may also be noted that any eventualities arising out of non-fulfilment of obligations due force majeure circumstances can't be assigned to either Party of the contract.

Sl. No.	Existing Clause	Comments/ Suggestions
		Further, giving extension to the generator only for the exceptional circumstances, especially when such circumstances are not defined, makes interpretation and applicability of such provisions very subjective and widely open to interpretations. **Request:** Therefore, it is humbly requested that the Hon'ble Commission may consider modifying this Clause as per the following - *"Notwithstanding the provision of clause (2) of this Regulation, the Commission may ~~in exceptional circumstances,~~ allow extension of the period for inter-change of power beyond the stipulated period on an application made by the generating station at least two months in advance of completion of the stipulated period."*
3	**Clause 19 (6)** The onus of proving that the interchange of infirm power from the unit(s) of the generating station is for the purpose of pre-commissioning activities, testing and commissioning, shall rest with the generating station and the concerned RLDC shall seek such information on each occasion of interchange of power before COD. For this, the generating station shall furnish to the concerned RLDC relevant details of the specific commissioning activity, testing and full load testing, its duration and intended period of interchange, etc.	The generator duly submits the basic details and seeks concurrence from the applicable nodal agency. It may kindly be noted that submission of detailed information for each subsequent occurrence would lead to multiplicity of proceedings. Hence, upon grant of initial concurrence, if any revision is sought by the generator, then only balance requisite and necessary details may be sought by the applicable nodal agency from the generator on a case-to-case basis. **Request:** Therefore, it is requested that the Hon'ble Commission may consider modifying this Clause as per the following - *"The onus of proving that the interchange of infirm power from the unit(s) of the generating station is for the purpose of pre-commissioning activities, testing and commissioning, shall rest*

Sl. No.	Existing Clause	Comments/ Suggestions
		with the generating station and the concerned RLDC ~~***shall***~~ *may seek such information* ~~***on each occasion***~~ *of interchange of power before COD. For this, the generating station shall furnish to the concerned RLDC relevant details of the specific commissioning activity, testing and full load testing, its duration and intended period of interchange, etc."*
4	**Clause 21 (1)** The generating company proposing its generating station or a unit thereof for trial run or repeat of trial run shall give a notice of not less than seven (7) days to the concerned RLDC and the beneficiaries of the generating stations wherever identified. The concerned RLDC shall commence the trial run from the requested date or in case of any system constraints not later than seven (7) days from the proposed date of trial run. The trial run shall commence from the time and date as decided and informed by the concerned RLDC.	It is submitted that the trial operation is to be performed by the generating station in accordance with the permission granted by the applicable nodal agency. It seems that inadvertently reference of load despatch centre has been provided, in place of a generating station, for commencement of the trial run. **Request:** Therefore, it is respectfully requested that the Hon'ble Commission may consider modifying this Clause as per the following - *"The generating company proposing its generating station or a unit thereof for trial run or repeat of trial run shall give a notice of not less than seven (7) days to the concerned RLDC and the beneficiaries of the generating stations wherever identified. The concerned* ~~***RLDC***~~ ***generating stations*** *shall commence the trial run from the requested date or in case of any system constraints not later than seven (7) days from the proposed date of trial run. The trial run shall commence from the time and date as decided and informed by the concerned RLDC."*
5	**Clause 44 (3) (c)** Scheduling and despatch for the entities in the State control area in accordance with contracts.	It may kindly be noted that GNA regulations has been notified by the Hon'ble Commission based on the principle of utilisation of the network. Scheduling and despatch would be done in accordance with the availed network access. It is worthwhile to note that no

Sl. No.	Existing Clause	Comments/ Suggestions
	Clause 45 (5) (a) (iii) Declaration by the sellers and the buyers about existence of valid contracts for the transactions. (iv) Copies of the valid contracts by the sellers and the buyers, for transactions other than collective transactions. **Clause 47 (1) (a) (iii) (a)** Time block-wise On-bar Declared Capacity (DC) for the station in MW separately for each fuel such as domestic gas, RLNG or liquid fuel and On-bar units. **Clause 47 (1) (b) (ii)** The generating station other than those having allocation of power by the Central Government shall indicate the declared capacity along with respective share of the beneficiary(ies) or buyers in accordance with the contracts entered with them. Based on declared capacity of such generating station and share of the beneficiaries or buyers as indicated by such generating station, RLDC shall declare share of each beneficiary or buyer for 0000 hours to 2400 hours of the 'D' day, by 7 AM on 'D-1' day.	entity would be willing to pay network access charges in absence of any contract or actual usage. Further, clause 45 (5) (a) (iii) duly provides that the sellers and the buyers should declare existence of valid contracts which would serve the purpose as far as the validity of the deposition by the stakeholder is concerned. Hence, the need for submission of contracts or to link scheduling and despatch with contracts is not required to be enforced. If the contract itself is not requisite, then the submission of DC in relation to back-to-back fuel contract does not arise. Further, declaring DC for each fuel type would indirectly reveal the source availability and commercials for that particular entity. It is humbly submitted that commercial information of any organisation is bound by the terms of confidentiality. Disclosure of such information would hamper interest of an organisation in the present competitive environment. Further, requisition of contract is not essential then re-declaring the scheduling declared based on such contract would also become redundant. It may kindly be noted that re-declaration would only lead to multiplicity of proceedings. **Request:** Therefore, it is humbly requested that the Hon'ble Commission may consider modifying the applicable clauses as per the following- ***Clause 44 (3) (c)*** *"Scheduling and despatch for the entities in the State control area in accordance with* ***~~contracts~~ availed network access."*** ***Clause 45 (5) (a)***

Sl. No.	Existing Clause	Comments/ Suggestions
		~~"(iii) Declaration by the sellers and the buyers about existence of valid contracts for the transactions.~~ *~~(iv) Copies of the valid contracts by the sellers and the buyers, for transactions other than collective transactions.~~"* ***Clause 47 (1) (a) (iii) (a)*** *"Time block-wise On-bar Declared Capacity (DC) for the station in MW ~~separately for each fuel such as domestic gas, RLNG or liquid fuel and On-bar units~~."* ***Clause 47 (1) (b) (ii)*** *The generating station other than those having allocation of power by the Central Government shall indicate the declared capacity along with respective share of the beneficiary(ies) or buyers in accordance with the contracts entered with them. ~~Based on declared capacity of such generating station and share of the beneficiaries or buyers as indicated by such generating station, RLDC shall declare share of each beneficiary or buyer~~ for 0000 hours to 2400 hours of the 'D' day, by 7 AM on 'D-1' day.*
6	**Clause 45 (8)** **(b)** The regional entity generating stations may be required to demonstrate the declared capacity of their generating stations as and when directed by the concerned RLDC. For this purpose, RLDC, in coordination with SLDC and the beneficiaries, shall schedule the regional entity generating station up to its declared capacity as declared on day ahead basis at time of first declaration. RLDC shall ask each	It may kindly be noted scheduling and despatch of power would be bound by the terms and conditions of the contracts entered by the Parties as has been duly specified in Clause 44 of this draft regulations. These contracts are generally entered in line with the various applicable guidelines issued by the applicable authorities. Further, assets are commissioned, and contracts are entered by the Parties based on such agreed commercial conditions. Therefore, if specific and separate instructions given for a) demonstration of declared capacity

Sl. No.	Existing Clause	Comments/ Suggestions
	generating station, at least once in a year, to demonstrate the declared capacity. **(c)** The schedule issued by the RLDC shall be binding on the beneficiaries for such testing of declared capacity of the regional entity generating station. In case the generating station fails to demonstrate the declared capacity, it shall be treated as mis-declaration for which charges shall be levied on the generating station by RPC as follows: The charges for the first mis-declaration for a block or multiple blocks in a day shall be the charges corresponding to two days fixed charges at normative availability. For the second mis-declaration, the charges shall be corresponding to four days fixed charges at normative availability and for subsequent misdeclarations, the charges shall increase in a geometric progression over a period of a month. **Clause 47 (2) (b)** Margins for primary response: For the purpose of ensuring primary response, RLDCs and SLDCs, as the case may be, shall not schedule the generating station or unit(s) thereof beyond ex-bus generation corresponding to 100% of the Installed capacity of the generating station or unit(s) thereof. The generating station shall not resort to Valve Wide Open (VWO) operation of units, whether running on full load or part load, and shall ensure that there is margin available for providing governor action as primary response.	b) margin for primary response then that would amount to isolated and independent operation of the plant which can't be equated with the terms and conditions of the contracts entered by such generating stations. Hence, cost associated with such operation being loaded on either the drawing or injecting entity would not only be against the commercial arrangement executed but would also be against the principle of natural justice. At the same time, we duly appreciate the need identified by the Hon'ble Commission to demonstrate declared capacity ("DC") on a periodic basis or keeping margin for primary response for grid management perspective. In reference to the above, especially considering the grid reliability management, cost for periodical demonstration of DC or keeping the margin for primary response is required to be socialised in the interest of all the stakeholders concerned. **Request:** Therefore, it is kindly requested that all the costs associated with periodical demonstration of DC or keeping margin for primary response may be directly borne by the respective RLDC/SLDC. This cost, in turn, would get passed on to all the concerned stakeholders through the applicable tariff exercises.

Sl. No.	Existing Clause	Comments/ Suggestions
	In case of gas or liquid fuel-based units, suitable adjustment in Installed Capacity should be made by RLDCs and SLDCs, as the case may be, for scheduling in due consideration the prevailing ambient conditions of temperature and pressure vis-à-vis site ambient conditions on which installed capacity of the generating station or unit(s) thereof have been specified.	
7	**Clause 45 (9) (a) (ii)** Gas power plants shall declare a ramp up or ramp down rate of not less than 3% of ex-bus capacity corresponding to MCR on bar per minute.	We would like to submit that each generating station has unique characteristics. Ramp up or ramp down depends on the unit capacity wherein operating conditions varies based on the class of machine used. Such stations require to follow the specific operating procedures for safe and reliable operations. The same has been duly acknowledged by the Hon'ble Commission through the tariff regulations which duly notifies distinct and separate operating parameters for each specific class of machines. The existing grid code duly acknowledges the same and has duly considered the ramp up and ramp down rates accordingly. Further, the explanatory memorandum published by the Hon'ble Commission duly notes the following: *"Even 1% ramp rate has not been achieved for older power plants, and the generating stations have expressed their difficulty in achieving even 1% ramp rate at all times.* *…* *The ramp rates for gas and hydro stations have not been specified in the CEA standards."* Hence, the need to revise such parameter seems abrupt in the wake of lack of proper substantiation. It would also be in the interest of all the stakeholders if the basis of the amendment to

Sl. No.	Existing Clause	Comments/ Suggestions
		the ramp rates, such as some scientifically derived method based on actual data, is provided by the Hon'ble Commission. Also, it is required to be noted that generating stations are capital intensive. Therefore, it is important to provide a stable/reliable regulatory framework for effective utilisation of such assets. **Request:** Therefore, it is humbly requested the Hon'ble Commission to kindly retain the existing levels of ramp up or ramp down rates for gas power plants.
8	**Clause 45 (12)** Minimum turndown level for thermal generating stations. The minimum turndown level for operation in respect of a unit of a regional entity thermal generating station shall be 55% of MCR of the said unit: Provided that the Commission may fix through an order a different minimum turndown level of operation in respect of specific unit(s) of a regional entity thermal generating station: Provided further that such generating station on its own option may declare a minimum turndown level below 55% of MCR: Provided also that the regional entity thermal generating stations shall be compensated for generation below the normative level either as per the mechanism in the Tariff Regulations or in terms of the contract entered into by such generating station with the beneficiaries or buyers, as the case may be**.**	It is well known fact that power for end users is availed through competitive bid-based contracts, bilateral contracts or via power exchanges based on the most economical commercial arrangement possible. Generating assets are installed and operated in accordance with the same. However, due to some unforeseen circumstances at times generators would have to be required to revise the technical minimum in the overall interest of all the stakeholders. Section 61 (d) of the Electricity Act-2003 specifies that the Hon'ble Commission should safeguard interest of the consumers as well as the assets being utilised to serve such consumers. Therefore, if such downward revision is agreed by the generator to reduce cost to the end user, then the generator should also be allowed to have the flexibility for upward revision accordingly. **Request:** It is humbly requested that minimum turndown level may also be allowed to be restated back.