



**RP - Sanjiv Goenka
Group**
Growing Legacies



CESC
LIMITED
Energising Lives • Since 1899

Head – Regulatory : 009

November 1, 2024

The Secretary
Central Electricity Regulatory Commission
7th Floor, Tower B, World Trade Centre
Nauroji Nagar
New Delhi-110029

Sir,

**Subject: Comments on the Draft Central Electricity Regulatory Commission
(Deviation Settlement Mechanism and Related Matters) (First Amendment)
Regulations, 2024 (“Draft DSM First Amendment”)**

With reference to the notice Ref No. L-1/260/2021/CERC dated 02.10.2024, we are submitting our suggestions / comments in Attachment on the Draft DSM First Amendment Regulations for your kind consideration.

Assuring you of our best attention.

Yours faithfully,

Balaji Sivan
Head - Regulatory

Encl.

Comments on draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (First Amendment) Regulations, 2024

General Comments:

1. The notification of Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (First Amendment) Regulations, 2024 (“Draft DSM Regulation First Amendment 2024”) in draft mode has been published on 02.10.2024 which has proposed modification in definition of Available Capacity, Contract Rate, Reference Charge Rate and treatment of deviation in infirm power.

Specific Comments on the Draft DSM Regulation First Amendment 2024

S. No.	Reference	Draft Regulation	CESC's submission
1	Regulation 3 (1) (g): Normal Rate of Charges for Deviation	(g) 'Available Capacity' for generating station based on wind or solar or hybrid of wind solar resources, which are regional entities, is the cumulative capacity rating of wind turbines or solar inverters that are capable of generating power in a given time block <u>and shall be limited to the quantum of connectivity granted;</u>	<ul style="list-style-type: none"> • We agree with the proposed amendment. • Available Capacity is used for computation of deviation % ($D_{ws}\%$) for wind, solar and wind-solar hybrid resources. $D_{ws}\%: 100 * [(Actual\ injection - Scheduled\ Generation)/(Available\ Capacity)]$ • There could be instances where rated capacity of wind, solar and wind-solar hybrid resources are higher than the connectivity granted to such resources, however the evacuation infrastructure are built keeping in mind the connectivity granted to such projects, therefor it is imperative that generation from such projects don't go beyond the connectivity granted. • Therefore, it follows that for computation of Deviation % for such renewable resources, the available capacity should be limited to the quantum of connectivity granted. • It is further submitted that effect of change in definition of “Available Capacity” may also be reflected in Note 2 (b) under Regulation 8(4).

S. No.	Reference	Draft Regulation	CESC's submission
2	Regulation 3 (1) (j)	<p>(j) 'Contract rate' means ...</p> <p>...</p> <p><i>(iii) <u>in respect of a WS seller or a MSW seller or such other entity as applicable, selling power through open access to a third party or</u></i> in case of captive consumption of a captive generating plant based on renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all Power Exchanges for the respective time block;</p> <p>...</p> <p>...</p>	<ul style="list-style-type: none"> • We agree with the proposed amendment. • The definition of "Contract rate" and in the existing regulation does not cover the scenario where power is being sold under open access to a third party, hence inclusion of such scenario was needed.
3	Regulation 3 (1) (y)	<p>(y) 'Reference Charge Rate' or 'RR' means</p> <p>...</p> <p>...</p> <p><i>(iii) <u>in respect of a general seller selling power through open access to a third party or</u></i> in case of captive consumption of a captive generating plant based on resources other than renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all the Power Exchanges for the respective time block;</p> <p>...</p> <p>...</p>	<ul style="list-style-type: none"> • We agree with the proposed amendment. • The definition of "Reference Charge Rate" in the existing regulation does not cover the scenario where power is being sold under open access to a third party, hence inclusion of such scenario was needed.

S. No.	Reference	Draft Regulation	CESC's submission
4	Regulation 8 (8)	<p>“(8) The charges for <u>injection of infirm power</u> shall be zero: Provided that if infirm power is scheduled after a trial run as specified in the Grid Code, the charges for deviation over the scheduled infirm power shall be as applicable for a general seller or WS seller, as the case may be: <u>Provided further that when the system frequency, $f > 50.05\text{Hz}$, the charges for deviation of scheduled infirm power by way of over injection by a general seller or WS seller, as the case may be, shall be zero.</u></p>	<ul style="list-style-type: none"> • We agree with the proposed amendment. • It is submitted that making the charges for injection of infirm power zero will help in grid security and encourage adherence to commissioning schedule.