

Ref. No: MBPMPL/ANP-I/CERC/24-25/301024

Date: 30th Oct 2024

To,
Secretary
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B,
World Trade Centre, Nauroji Nagar
New Delhi – 110029

Subject: Comments on Draft CERC (Deviation Settlement Mechanism & Related Charges) (First Amendment) Regulations 2024

Respected Sirs,

We write in reference to the above referred Public Notice dated 02.10.2024 issued by this Hon'ble Commission vide which comments/suggestions of the various stakeholders have been invited on the Draft CERC (Deviation Settlement Mechanism & Related Charges) (First Amendment) Regulations 2024.

We, MB Power (Madhya Pradesh) Limited, are a Generating Company, having an operational coal-based Thermal Power Project in the district Anuppur of Madhya Pradesh. We are furnishing our detailed comments/suggestions on the said Draft CERC (Deviation Settlement Mechanism & Related Charges) (First Amendment) Regulations 2024 (enclosed herewith as *Annexure-1*) for your kind consideration.

We hope you will acknowledge the genuine merit in our comments/suggestions and will consider the same favourably while issuing the final CERC (Deviation Settlement Mechanism & Related Charges) (First Amendment) Regulations 2024.

Yours sincerely,

For **MB Power (Madhya Pradesh) Limited**

Himanshu Srivastava
General Manager

Annexure-1: MB Power (Madhya Pradesh) Limited's comments on Draft CERC (Deviation Settlement Mechanism & Related Charges) (First Amendment) Regulations, 2024

Existing Clause & Amendment	Comments
<p>3.1 Clause (8) of Regulation 8 of the Principal Regulations shall be substituted as under:</p> <p><i>“(8) The charges for injection of infirm power 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: 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.”</i></p>	<ul style="list-style-type: none"> • It has been proposed by the Hon’ble commission vide the Draft CERC (Deviation Settlement Mechanism & Related Matters) (First Amendments) Regulations, 2024 that the injection of infirm power shall not be paid for even during the trial run as specified in the Grid Code for general sellers. • As per Grid Code 2023, the provisions for Trial Run for thermal generating unit are as follows: “22 TRIAL RUN OF GENERATING UNIT . (1) Trial Run of the Thermal Generating Unit shall be carried out in accordance with the following provisions: a) A thermal generating unit shall be in continuous operation at MCR for seventy-two (72) hours on designated fuel” • Accordingly, during trial run, thermal power plants incur huge cost on consumption of primary fuel as well as secondary fuel for start-up operations & operating the plant continuously at MCR for 72 hours, whereas for REGS plants, no primary fuel or secondary fuel oil is required during the trial run. • According to the present Principal Regulations, the generating stations are allowed the recovery of expenses of the fuel cost for the infirm energy to be injected in the grid. • As per the Tariff Policy, all future procurement of power shall be done by the State Distribution Companies/Utilities on competitive basis only (Sec 63 PPA).

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Existing Clause & Amendment	Comments
	<ul style="list-style-type: none">• However, in light of proposed amendment, the expenses incurred to schedule infirm power for trial run for the generating stations having Sec 63 PPA would not be recovered, resulting in loading of such risks on quoted tariffs and ultimately burdening the end consumers.• We strongly recommend that the energy charges for injecting the infirm power in the grid should not be zero for thermal power projects & should be determined as per DSM Regulations i.e. Reference Rate.