

Dated: November 03, 2024

Reference: Apraava/ Regulatory & Policy/Comments/2024/02

To,
Shri Harpreet Singh Purthi,
Secretary, Central Electricity Regulatory Commission,
8th Floor, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi, 110029

Subject: Comments on Draft Amendment in “Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (First Amendment) Regulations, 2024.” (hereinafter referred to as “**Draft Regulations**”)

Respected Sir,

By way of an introduction, Apraava Energy Private Limited (Apraava) is a diversified power company in India, owning and operating multiple renewable energy project, transmission assets and Advanced Metering Infrastructure projects.

The Hon’ble Commission vide public notice (No. L-1/260/2021/CERC) dated 02.10.2024 invited comments / suggestions / Objections on the subject Draft Regulation. Our comments on the same has been enclosed as **Annexure I**.

We request the Hon’ble Commission to take our views on record.

Thanking you
Yours Sincerely,

Jogendra Behera
Head - Regulatory Affairs and Policy Advocacy

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Annexure I

We welcome the Hon’ble Commissions effort to notify the 1st Amendment in DSM Regulations 2024. With regards to the Draft Regulations our Comments/ suggestions are as below:

Regulation	Draft Regulation	Comment/Suggestion
3(1)(j)	<p>‘Contract rate’ means (i) in respect of a WS seller or a MSW Seller or such other entity as applicable, whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/kWh tariff as determined or adopted or approved by the Appropriate Commission; or (ii) in respect of a WS seller or a MSW Seller or such other entity as applicable, whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, and selling power through power exchange(s), the price as discovered in the Power Exchange for the respective transaction; or (iii) <i>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</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; (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the contract rates of all such contracts or transactions, as the case may be.</p>	<p>In case of open access to a third party by a WS seller if contract rate is considered as weighted average ACP of the Integrated-Day Ahead Market segments of all Power Exchanges for the respective time block then it will signal developers to under schedule during high price period (more than contract rate) and over schedule during low price period (less than contract rate).</p> <p>So, the Commission may consider the contract rate for the same wherever is available regardless of short-term contract or long-term contract.</p>
3(1)(y)	<p>‘Reference Charge Rate’ or ‘RR’ means (i) in respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act , Rs/ kWh energy charge as determined or adopted or approved by the Appropriate Commission, or (ii) in respect of a general seller whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1)</p>	<p>The Commission may consider the contract rate for the same wherever is available regardless of short-term contract or long-term contract.</p>



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	<p>(b) of the Act, and selling power through power exchange(s), the price as discovered in the power exchange for the respective transaction; or (iii) <i>in respect of a general seller selling power through open access to a third party or</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; or (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the reference rates of all such contracts or transactions.</p>	
8(8)	<p>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.</p>	<p>Since deviation of WS seller is delinked from frequency in case of power sold after commissioning, hence similar approach should be taken for injection of infirm power. So, we request Hon'ble commission that 2nd proviso should not be made applicable to WS seller.</p> <p>Proposed Regulation: 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.</p>