

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

No. L-1/260/2021/CERC

Dated: 30th April, 2024

Preamble

Whereas it is necessary to provide for a regulatory mechanism for the treatment and settlement of deviation from the schedule of drawal or injection of electricity in the interest of reliability, security, and stability of the grid, it is hereby specified as follows:

DRAFT NOTIFICATION

No. L-1/260/2021/CERC - In exercise of the powers conferred under Section 178 read with clauses (c) and (h) of sub-section (1) of Section 79 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, namely:

1. Short title and commencement

- (1) These regulations may be called the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024.
- (2) These regulations shall come into force on such date as may be notified by the Commission separately.

2. Objective

These regulations seek to ensure, through a commercial mechanism, that grid users do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid.

3. Definitions and Interpretation

- (1) In these regulations, unless the context otherwise requires,-
 - (a) ‘**Act**’ means the Electricity Act, 2003 (36 of 2003);
 - (b) ‘**actual drawal**’ in a time block means the electricity drawn by a buyer, measured by the interface meters;
 - (c) ‘**actual injection**’ in a time block means the electricity injected by the seller,

measured by the interface meters;

(d) **‘Ancillary Services’** means the Ancillary Services as defined in the Ancillary Services Regulations;

(e) **‘Ancillary Services Regulations’** means the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations, 2015, as amended from time to time and shall include any re-enactment thereof;

(f) **‘Area Clearing Price’ or ‘ACP’** means the price of an electricity contract for a time-block transacted on a Power Exchange after considering all valid buy and sale bids in a particular area(s) after market-splitting;

(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;

(h) **‘Buyer’** means a person purchasing electricity through a transaction scheduled in accordance with the Grid Code;

(i) **‘Commission’** means the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of the Act;

(j) **‘Contract rate’** means the tariff for sale or purchase of power, as determined under Section 62 or adopted under Section 63 or approved under Section 86(1)(b) of the Act by the Appropriate Commission or the price as discovered in the Power Exchange, as the case may be; and in the absence of a tariff or price as above, contract rate shall mean the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block;

(k) **‘Deviation’** in a time block for a seller of electricity means its total actual injection minus its total scheduled generation, and for a buyer of electricity means its total actual drawal minus its total scheduled drawal, and shall be computed as per Regulation 6 of these regulations;

(l) **‘Deviation and Ancillary Service Pool Account’** means the Account to be maintained and operated by the concerned Regional Load Despatch Centre in each region as per Regulation 9 of these regulations;

(m) **‘General seller’** means a seller in case of a generating station based on other than wind or solar or hybrid of wind-solar resources;

(n) **‘Grid Code’** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 79 of the Act;

(o) **‘Integrated Day Ahead Market’** means a market where Day Ahead Contracts are transacted on the power exchanges, including collective transactions under Day Ahead Market (DAM), Green Day Ahead Market (Green DAM), and High Price Day Ahead Market (HP-DAM);

(p) **‘Interface meters’** means interface meters as defined under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time and any re-enactment thereof;

(q) **‘Load Despatch Centre’** means National Load Despatch Centre, Regional Load Despatch Centre or State Load Despatch Centre, as the case may be;

(r) **‘Normal Rate of Charges for Deviation (NR)’** means the charges for deviation (in paise/kWh) as referred to in Regulation 7 of these regulations;

(s) **‘Open Access Regulations’** means the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, as amended from time to time and shall include any re-enactment thereof;

(t) **‘Qualified Coordinating Agency’ or ‘QCA’** shall have the same meaning as defined in the Grid Code;

(u) **‘Regional Entity’** means a person whose metering and energy accounting are done at the regional level by the Regional Load Despatch Centre;

(v) **‘Renewable Rich State’ or ‘RE-rich State’** means a State whose combined installed capacity of solar and wind generating stations under the control area of the State is 1000 MW or more but less than 5000 MW;

(w) **‘Renewable Super Rich State’ or ‘RE Super-rich State’** means a State whose combined installed capacity of solar and wind generating stations under the control area of the State is 5000 MW or more;

(x) **‘Reference Charge Rate’ or ‘RR’** means (i) in respect of a general seller whose tariff is determined under Section 62 or Section 63 of the Act, Rs/ kWh energy charge as determined by the Appropriate Commission, or (ii) in respect of a general seller whose tariff is not determined under Section 62 or Section 63 of the Act, the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchanges, as the case

may be;

(y) **‘Run-of-River Generating Station’** or **‘RoR generating station’** means a hydro generating station which does not have upstream pondage;

‘Scheduled generation’ or **‘Scheduled injection’** for a time block or any period means the schedule of generation or injection in MW or MWh ex-bus, including the schedule for Ancillary Services given by the concerned Load Despatch Centre;

(z) **‘Scheduled drawal’** for a time block or any period means the schedule of drawal in MW or MWh ex-bus, including the schedule for Ancillary Services given by the concerned Load Despatch Centre;

(aa) **‘Seller’** means a person, including a generating station, supplying electricity through a transaction scheduled in accordance with the Grid Code;

(bb) **‘Time Block’** means the time block as defined in the Grid Code;

(cc) **‘WS seller’** means a seller in the case of a generating station based on wind or solar or a hybrid of wind-solar resources.

(2) Save as aforesaid and unless repugnant to the context or the subject matter otherwise requires, words and expressions used in these regulations and not defined, but defined in the Act, or any other regulation of this Commission shall have the meaning assigned to them respectively in the Act or any other regulation.

4. Scope

These regulations shall be applicable to all grid connected regional entities and other entities engaged in inter-State purchase and sale of electricity.

5. Adherence to Schedule and Deviation

(1) For the secure and stable operation of the grid, every grid-connected regional entity shall adhere to its schedule as per the Grid Code and shall endeavour not to deviate from its schedule.

(2) Deviation shall generally be managed through the deployment of Ancillary Services, and the computation, charges, and related matters in respect of such deviation shall be dealt with as per the following provisions of these regulations.

6. Computation of Deviation

(1) Deviation in a time block for general sellers shall be computed as follows:

Deviation-general seller (D_{GS}) (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)].

Deviation-general seller (D_{GS}) (in %) = 100 x [(Actual injection in MWh) – (Scheduled generation in MWh)] / [(Scheduled generation in MWh)].

(2) Deviation in a time block for WS sellers shall be computed as follows:

Deviation-WS seller (D_{WS}) (in MWh) = [(Actual Injection in MWh) – (Scheduled generation in MWh)].

Deviation-WS seller (D_{WS}) (in %) = 100 x [(Actual Injection in MWh) – (Scheduled generation in MWh)] / [(Available Capacity)].

(3) Deviation in a time block for buyers shall be computed as follows:

Deviation- buyer (D_B) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)].

Deviation- buyer (D_B) (in %) = 100 x [(Actual drawal in MWh) – (Scheduled drawal in MWh)] / [(Scheduled drawal in MWh)].

7. Normal Rate of Charges for Deviations

(1) The Normal Rate (NR) for a particular time block shall be equal to the sum of:

- (a) 1/3 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];
- (b) 1/3 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and
- (c) 1/3 [Ancillary Service Charge (in paise/kWh) computed based on the total quantum of Ancillary Services deployed and the net charges payable to the Ancillary Service Providers for all the Regions].

Provided that in cases where there is no despatch of Ancillary services in a time block or where the net charges for Ancillary services are receivable in Deviation and Ancillary Service Pool Account, the Ancillary Service Charge shall not be considered for computation of Normal Rate (NR). Further, 50% weight shall be considered for ACP (in paise/kWh) of the Integrated-Day Ahead Market segments, and 50% weight shall be ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges:

Provided further that in case of non- availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered.

(2) The normal rate of charges for deviation shall be rounded off to the nearest two decimal places.

8. Charges for Deviation

(1) Charges for Deviation, in respect of a **general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller** shall be as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
(I) For Deviation up to [10% D_{GS} or 100 MW, whichever is less] and f within f_{band}	
(i) @ RR when $f = 50.00$ Hz	(iv) @ RR when $f = 50.00$ Hz
(ii) When [$50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$], for every increase in f by 0.01 Hz, charges for deviation for such seller shall be reduced by 10% of RR so that charges for deviation become 50% of RR when $f = 50.05 \text{ Hz}$	(v) When [$50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$], for every increase in f by 0.01 Hz, charges for deviation for such seller shall be reduced by 3% of RR so that charges for deviation become 85% of RR when $f = 50.05 \text{ Hz}$
(iii) When [$49.90 \leq f < 50.00 \text{ Hz}$], for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 1.5% of RR so that charges for deviation become 115% of RR when $f = 49.90 \text{ Hz}$	(vi) When [$49.90 \leq f < 50.00 \text{ Hz}$], for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 5% of RR so that charges for deviation becomes 150% of RR when $f = 49.90 \text{ Hz}$
(II) For Deviation up to [10% D_{GS} or 100 MW, whichever is less] and f outside f_{band}	
(i) @ zero when [$50.05 \text{ Hz} < f < 50.10 \text{ Hz}$]: Provided that such seller shall pay @ 10% of RR when [$f \geq 50.10 \text{ Hz}$]	(iii) @ 85 % of RR when [$f > 50.05 \text{ Hz}$]
(ii) @ 115 % of RR when [$f < 49.90 \text{ Hz}$]	(iv) @ 150 % of RR when [$f < 49.90 \text{ Hz}$]

(III) For Deviation beyond [10% D_{GS} or 100 MW, whichever is less] and f within and outside f_{band}	
(i) Such seller shall be paid back @ zero when ($f < 50.10$ Hz): Provided that such seller shall pay @ 10% of RR when [$f \geq 50.10$ Hz]	(ii) Such seller shall pay @ RR when [$f \geq 50.00$ Hz]; (iii) @ 150% of RR when [$49.90\text{Hz} \leq f < 50.00$ Hz]; and (iv) @ 200% of RR when [$f < 49.90$ Hz]

Note: System frequency = f and $f_{band} = [49.90\text{Hz} \leq f \leq 50.05 \text{ Hz}]$

(2) Charges for Deviation, in respect of a **general seller being an RoR generating station**, shall be **without any linkage to grid frequency**, as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
(i) @ RR for deviation up to [$10\% D_{GS}$ or 100 MW, whichever is less]; (ii) @ Zero for deviation beyond [$10\% D_{GS}$ or 100 MW, whichever is less]	(iii) @ RR for deviation up to [$10\% D_{GS}$ or 100 MW, whichever is less]; (iv) @ 105% of RR for deviation beyond [$10\% D_{GS}$ or 100 MW, whichever is less] and up to [$15\% D_{GS}$ or 150 MW, whichever is less]; (v) @ 110% of RR for deviation beyond [$15\% D_{GS}$ or 150 MW, whichever is less].

(3) Charges for Deviation, in respect of a **general seller being a generating station based on municipal solid waste**, shall be **without any linkage to grid frequency**, as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)

(i) @ contract rate for deviation up to [20% D_{GS}];	(iii) @ 50% of contract rate for deviation up to [20% D_{GS}];
(ii) @ Zero for deviation beyond [20% D_{GS}];	(iv) @ RR for deviation beyond [20% D_{GS}].

(4) Charges for Deviation, in respect of a **WS Seller being a generating station based on wind or solar or hybrid of wind-solar resources**, including such generating stations aggregated at a pooling station through QCA shall be without any linkage to grid frequency, as under:

Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)
(i) for $VL_{WS}(1)$ @ contract rate;	v) for $VL_{WS}(1)$ @ contract rate;
(ii) for $VL_{WS}(2)$ @ 90% of contract rate	(vi) for $VL_{WS}(2)$ @ 110% of contract rate;
(iii) for $VL_{WS}(3)$ @ 50% of contract rate,	(vii) for VL_{S3} @ 150% of contract rate;
(iv) beyond $VL_{WS}(3)$ @ Zero;	(viii) beyond $VL_{WS}(3)$ @ 200% of contract rate.

Note: Volume Limits for WS Seller :

WS Seller	Volume Limit
A generating station based on solar or a hybrid of wind-solar resources or aggregation at a pooling station	$VL_{WS}(1)$ = Deviation up to 5% D_{WS} $VL_{WS}(2)$ = Deviation beyond 5% D_{WS} and up to 10% D_{WS} $VL_{WS}(3)$ = Deviation beyond 10% D_{WS} and up to 20% D_{WS}
A generating station based on wind resource	$VL_{WS}(1)$ = Deviation up to 10% D_{WS} $VL_{WS}(2)$ = Deviation beyond 10% D_{WS} and up to 15% D_{WS} $VL_{WS}(3)$ = Deviation beyond 15% D_{WS} and up to 25% D_{WS}

Note: In case of aggregation of WS sellers at a pooling station through QCA,

(a) the contract rate for the purpose of deviation shall be equal to the weighted average of the contract rates of all individual WS seller(s) opting for aggregation at the pooling station;

(b) Available Capacity shall be equal to the cumulative capacity rating of wind turbines or solar inverters that are capable of generating power in a given time block;

(c) depooling of deviation charges for WS seller(s) connected to the pooling station shall be as per the methodology mutually agreed upon between the QCA and such individual WS seller(s).

(5) Charges for Deviation, in respect of a Standalone Energy Storage System (ESS), shall be at par with the charges for Deviation for a **general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller** as specified in Clause (1) of this Regulation

(6) Charges for Deviation, in respect of an ESS co-located with WS Seller(s) connected at the same interconnection point, shall be as follows:

- i) Such seller shall provide a separate schedule for WS and ESS components through the Lead generator or QCA at the interconnection point;
- ii) Deviation corresponding to WS component shall be charged at the same rates as applicable for WS Seller being a generating station based on solar or hybrid of wind-solar resource in accordance with clause (4) of this regulation; and
- iii) Deviation corresponding to the ESS component shall be charged at the same rates as applicable for a standalone ESS in accordance with clause (5) of this regulation.

Deviation by way of over injection (Receivable by Lead generator)	Deviation by way of under injection (Payable by the lead generator)
(I) Any over injection up to 5% or 50 MW shall be receivable as per RR and for under generation shall be payable zero up to 5% or 50MW.	
(II) For Deviation from 5% to 10% D_{GS} or greater than 50 MW up to 100 MW, whichever is less] and f within f_{band}	
(i) @ RR when $f = 50.00$ Hz	(iv) @ RR when $f = 50.00$ Hz
(ii) When $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$, for every increase in f by 0.01 Hz, charges for deviation for such seller shall be reduced by 10% of RR so that charges for deviation become 50% of RR when $f = 50.05\text{Hz}$	(v) When $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$, for every increase in f by 0.01 Hz, charges for deviation for such seller shall be reduced by 3% of RR so that charges for deviation become 85% of RR when $f = 50.05\text{Hz}$
(iii) When $[49.90 \leq f < 50.00 \text{ Hz}]$, for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 1.5% of RR so	(vi) When $[49.90 \leq f < 50.00 \text{ Hz}]$, for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 5% of RR so that

Deviation by way of over injection (Receivable by Lead generator)	Deviation by way of under injection (Payable by the lead generator)
that charges for deviation become 115% of RR when $f = 49.90\text{Hz}$	charges for deviation becomes 150% of RR when $f = 49.90\text{Hz}$
(III) For Deviation up to [10% D_{GS} or 100 MW, whichever is less] and f outside f_{band}	
(i) @ zero when [$50.05\text{ Hz} < f < 50.10\text{ Hz}$]: Provided that such seller shall pay @ 10% of RR when [$f \geq 50.10\text{ Hz}$]	(iii) @ 85 % of RR when [$f > 50.05\text{ Hz}$]
(ii) @ 115 % of RR when [$f < 49.90\text{ Hz}$]	iv) @ 150 % of RR when [$f < 49.90\text{ Hz}$]
(IV) For Deviation beyond [10% D_{GS} or 100 MW, whichever is less] and f within and outside f_{band}	
(i) such seller shall be paid back @ zero when ($f < 50.10\text{ Hz}$): Provided that such seller shall pay @ 10% of RR when [$f \geq 50.10\text{ Hz}$]	(ii) such seller shall pay @ RR when [$f \geq 50.00\text{ Hz}$]; @ 150% of RR when [$49.90\text{Hz} \leq f < 50.00\text{ Hz}$]; and @ 200% of RR when [$f < 49.90\text{ Hz}$]

Note : (a) Reference rate (RR) of such generators would be the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchange.

(b) The DSM shall be computed based on the Net schedule, i.e., the sum of all generator schedule injecting/drawing power and net actual injection/drawal at the interconnection point

(c) Each generator shall be metered with SEM so that individual actual injection/drawal can be captured;

(d) Schedule shall be prepared separately for each type of generator. This shall help to understand the different profiles of each generator.

(7) Charges for Deviation, in respect of a **Buyer**, shall be receivable or payable as under:

Deviation by way of under drawal (Receivable by the Buyer)	Deviation by way of over drawal (Payable by the Buyer)
(I) For $VL_B(1)$ and f within f_{band}	
i) @ 85% of NR NR when $f = 50.00\text{ Hz}$;	iv) @ NR when $f = 50.00\text{ Hz}$;
ii) When $50.00\text{ Hz} < f \leq 50.05\text{ Hz}$, for every increase in f by 0.01 Hz, charges for deviation for such buyer shall be decreased by 7% of NR so that charges for deviation become 50% of NR when $f = 50.05\text{Hz}$;	v) When $50.00 < f \leq 50.05\text{ Hz}$, for every increase in f by 0.01 Hz, charges for deviation for such buyer shall be reduced by 5% of NR so that charges for deviation become 75% of NR when $f = 50.05\text{Hz}$;
iii) When $49.90 \leq f < 50.00\text{ Hz}$, for every decrease in f by 0.01 Hz, charges for	vi) When $49.90 \leq f < 50.00\text{ Hz}$, for every decrease in f by 0.01 Hz, charges for deviation

deviation for such buyer shall be increased by 1 % of NR so that charges for deviation become 95% of NR when $f = 49.90\text{Hz}$;	for such buyer shall be increased by 5% of NR so that charges for deviation become 150% of NR when $f = 49.90\text{Hz}$.
(II) For VL_B (1) and f outside f_{band}	
(i) @ zero when [50.05 Hz < f < 50.10 Hz]: Provided that such buyer shall pay @ 10% of NR when [$f \geq 50.10$ Hz];	(iii) @ 50% of NR when [50.05 Hz < f < 50.10 Hz]: (iv) @ zero when [$f \geq 50.10$ Hz];
(ii) @ 95% of NR when [$f < 49.90$ Hz];	(v) @ 150 % of NR when [$f < 49.90$ Hz].
(III) For VL_B (2) and f within and outside f_{band}	
(i) @ 80% of NR when $f \leq 50.00$ Hz; (ii) @ 50% NR when [50.00 Hz < $f \leq 50.05$ Hz]; @ zero when [50.05 Hz < f < 50.10 Hz]: Provided that such buyer shall pay @ 10% of NR when [$f \geq 50.10$ Hz];	(iii) @ 150% of NR when $f \leq 50.00$ Hz; (iv) @ NR when [50.00 Hz $\leq f \leq 50.05$ Hz]; @ 75% NR when [50.05 Hz < f < 50.10 Hz]; @ zero when [$f \geq 50.10$ Hz].
(IV) For VL_B (3) and f within and outside f_{band}	
(i) @ zero when $f < 50.10$ Hz: Provided such buyer shall pay @ 10% of NR when [$f \geq 50.10$ Hz];	(ii) @ 200% of NR when $f < 50.00$ Hz; (iii) @ 110% of NR when [$f \geq 50.00$ Hz].

Note: Volume Limits for Buyer :

Buyer	Volume Limit
Buyer <u>other than</u> (the buyer with a schedule less than 400 MW and the RE-rich State)	VL _B (1) = Deviation up to [10% D _{BUY} or 100 MW, whichever is less] VL _B (2) = Deviation [beyond 10% D _{BUY} or 100 MW, <i>whichever is lower</i>] and up to [15% D _{BUY} or 200 MW, <i>whichever is lower</i>] VL _B (3) = Deviation beyond [15% D _{BUY} or 200 MW, whichever is less]
Buyer (with a schedule up to 400 MW)	VL _B (1) = Deviation [20% D _{BUY} or 40 MW, whichever is less] VL _B (2) = Deviation beyond [20% D _{BUY} or 80 MW, whichever is less]
Buyer (being an RE Rich State)	VL _B (1) = Deviation up to 200 MW VL _B (2) = Deviation beyond 200 MW and up to 300 MW VL _B (3) = Deviation beyond 300 MW
Buyer (being Super RE Rich State)	VL _B (1) = Deviation up to 250 MW VL _B (2) = Deviation beyond 250 MW and up to 350 MW VL _B (3) = Deviation beyond 350 MW

(8) The charges for deviation for injection of infirm power shall be zero:

Provided that upon such infirm power being scheduled, the charges for deviation for such power shall be as applicable for a general seller or WS seller, as the case may be.

(9) The charges for deviation for drawal of start-up power before the COD of a generating unit or for drawal of power to run the auxiliaries during the shut-down of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate or contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be.

(10) The charges for inter-regional deviation caused by way of over drawal or under drawal or over injection or under-injection shall be payable or receivable, as the case may be, at the normal rate of charges for deviation.

(11) The charges for deviation in respect of cross-border transactions caused by way of over drawal or under drawal or over injection or under-injection shall be payable or receivable at the deviation charge rates and subject to volume limits as applicable to a seller (of the respective category) or to a buyer (other than a RE-rich State or a Super RE-rich State), as the case may be.

(12) Notwithstanding anything contained in Clauses (1) to (5) of this Regulation, in case of forced outage of a seller, the charges for deviation shall be @ the reference charge rate for a maximum duration of eight time blocks or until the revision of its schedule, whichever is earlier.

(13) In case of multiple contracts, the contract rate or the reference rate referred to in this Regulation shall be the weighted average of the contract rates of all such contracts.

(14) For a Seller whose bids are cleared in the HP-DAM, the 'reference charge rate' for deviation by way of 'under-injection' for the quantum of power sold through HP- DAM shall be equal to the weighted average ACP of the HP-DAM Market segments of all the Power Exchanges for that time block;

(15) In case of a State having net injection at the regional periphery, the deviation charges for such State shall be as applicable to a buyer.

9. Accounting of Charges for Deviation and Ancillary Service Pool Account

(1) By every Thursday, the Regional Load Despatch Centres shall provide the data for deviation calculated as per Regulation 6 of these regulations for the previous week ending on Sunday midnight to the Secretariat of the respective Regional Power Committees.

(2) After receiving the data for deviation from the Regional Load Despatch Centre, the Secretariat of the Regional Power Committee shall prepare and issue the statement of charges for deviation prepared for the previous week to all regional entities by ensuing Tuesday:

Provided that transaction-wise DSM accounting for intra-State entities shall not be carried out at the regional level.

(3) Separate books of accounts shall be maintained for the principal component and interest component of charges for deviation by the Secretariat of the Regional Power Committees.

(4) There shall be a Deviation and Ancillary Service Pool Account to be maintained and operated by the Regional Load Despatch Centre for the respective region:

Provided that the Commission may, by order, direct any other entity to operate and maintain the Deviation and Ancillary Service Pool Account.

(5) The Deviation and Ancillary Service Pool Account shall receive credit for:

(a) payments on account of charges for deviation referred to in Regulation 8 of these regulations and the late payment surcharge as referred to in Regulation 10 of these regulations;

(b) payments made by:

(i) SRAS Provider for the SRAS-Down despatched under the Ancillary Services Regulations;

(ii) TRAS Provider for the TRAS-Down despatched under the Ancillary Services Regulations; and

(iii) such other charges as may be notified by the Commission.

(6) Deviation and Ancillary Service Pool Account shall be charged for:

- (a) payment to the seller for over injection as referred to in clause (1) of Regulation 8 of these regulations;
 - (b) payment to the buyer for under drawal as referred to in clause (2) of Regulation 8 of these regulations;
 - (c) the full cost of despatched SRAS-Up, including the variable charge or the energy charge or the compensation charge, as the case may be, for every time block on a regional basis, as well as the incentive for SRAS, payable to the concerned SRAS Provider as referred in the Ancillary Services Regulations;
 - (d) the full cost towards TRAS-Up, including the charges for the quantum cleared and despatched and the commitment charge for the quantum cleared but not despatched as referred in the Ancillary Services Regulations; and
 - (e) such other charges as may be notified by the Commission.
- (7) In case of deficit in the Deviation and Ancillary Service Pool Account of a region, the surplus amount available in the Deviation and Ancillary Service Pool Accounts of other regions shall be used for settlement of payment under clause (6) of this Regulation:

Provided that in case the surplus amount in the Deviation and Ancillary Service Pool Accounts of all other regions is not sufficient to meet such deficit, the balance amount shall be recovered from the drawee DICs - (i) for the period from the date of effect of these regulations till 31.03.2025, in the ratio of [50% in proportion to their drawal at the regional periphery] and [50% in proportion to their GNA]; and (ii) from 01.04.2025, in the ratio of the shortfall of reserves allocated by NLDC to such DICs in accordance with the detailed procedure to be issued in this regard by the NLDC with the approval of the Commission.

10. Schedule of Payment of charges for deviation

- (1) The payment of charges for deviation shall have a high priority, and the concerned regional entity shall pay the due amounts within 7 (seven) days of the issue of the statement of charges for deviation by the Regional Power Committee, failing which late payment surcharge @ 0.04% shall be payable for each day of delay.
- (2) Any regional entity which at any time during the previous financial year fails to make payment of charges for deviation within the time specified in these regulations shall be

required to open a Letter of Credit (LC) equal to 110% of their average payable weekly liability for deviations in the previous financial year in favour of the concerned Regional Load Despatch Centre within a fortnight from the start of the current financial year.

- (3) In case of failure to pay into the Deviation and Ancillary Service Pool Account within 7 (seven) days from the date of issue of the statement of charges for deviation, the Regional Load Despatch Centre shall be entitled to encash the LC of the concerned regional entity to the extent of the default and the concerned regional entity shall recoup the LC amount within 3 days.

11. Power to Relax

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these regulations on its own motion or on an application made before it by the affected party.

12. Power to Remove Difficulty

If any difficulty arises in giving effect to these regulations, the Commission may on its own motion or on an application filed by any affected party, issue such practice directions as may be considered necessary in furtherance of the objective of these regulations.

13. Repeal and Savings

- (1) Save as otherwise provided in these regulations, the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 shall stand repealed from the date of commencement of these Regulations.
- (2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken, including any procedure, minutes, reports, confirmation or declaration of any instrument executed under the repealed regulations, shall be deemed to have been done or taken under the relevant provisions of these regulations.

(Harpreet Singh Pruthi)
Secretary

