

Comments / Suggestions on Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024

Sr no	Clause as per CERC Draft DSM Regulation 2024	EDF R Proposed clause	Rationale
1.	<p>3. Definitions and Interpretation</p> <p>(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;</p> <p>(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>	<p>3. Definitions and Interpretation</p> <p>(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 except High Price Day Ahead Market (HP-DAM); for the respective time block;</p> <p>(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>	<p>In the proposed draft regulation, Hon'ble commission has defined Contract rate in the absence of a tariff or price as the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block;</p> <p>Similarly, normal rate of charges for deviation applicable in case of over draw and under draw of buyer would be sum of 1/3 of (weighted average ACP of IDAM, RTM and Ancillary service).</p> <p>We request Hon'ble commission to exclude High price DAM in the definition of Integrated day ahead market and Contract rate as the nature of High price DAM is completely different, the ceiling price of these segments also vary.</p>

<p>2.</p>	<p>8. Charges for Deviation</p> <p>(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:</p> <p>A generating station based on wind Resource VLwS (1) = Deviation up to 10% DWS VLwS (2) = Deviation beyond 10% DWS and up to 15% DWS VLwS (3) = Deviation beyond 15% Dws and up to 25% DWS</p> <p>.....</p> <p>.....</p> <p>(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).</p>	<p>8. Charges for Deviation</p> <p>(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:</p> <p>A generating station based on wind resource VLwS (1) = Deviation up to 10%15% DWS VLwS (2) = Deviation beyond 10%15% DWS and up to 15%20% DWS VLwS (3) = Deviation beyond 15%20% Dws and up to 25% DWS</p> <p>.....</p> <p>.....</p> <p>(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).</p>	<p>In the proposed draft regulation, the Hon'ble commission has tightened the deviation band in case of over injection to 5% for Solar or hybrid and 10% for Wind which is very less considering intermittent nature of RE generation. Also, in case of under injection, the deviation penalty has been doubled across the RE technologies.</p> <p>In the explanatory memorandum published by Hon'ble Commission, it has been explained that with the introduction of aggregation PSS wise deviation error will decrease which is the reason behind reduction of the deviation band. In this context we would like to apprise that aggregation of PSS has not been implemented yet and its impact is yet to be assessed.</p> <p>We request Hon'ble commission to keep the bands for over injection and under injection in case of wind resources as per the proposed clause as tightening of bands will increase the deviation impact.</p>
<p>3.</p>	<p>8. Charges for Deviation</p> <p>(4) Charges for Deviation, in respect of a WS Seller being a generating station based on wind or</p>	<p>8. Charges for Deviation</p> <p>(4) Charges for Deviation, in respect of a WS Seller being a generating station based on wind or</p>	<p>In the proposed draft regulation, Hon'ble commission has kept the deviation bands same for solar and hybrid of wind-solar resources.</p> <p>In case of a Hybrid generating station, the hybrid power system combines power from solar panels and wind turbines to produce uninterrupted energy</p>

	<p>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:</p> <p>A generating station based on solar or a hybrid of wind –solar resources or aggregation at a pooling station</p> <p>VLwS (1) = Deviation up to 5% DWS VLwS (2) = Deviation beyond 5% DWS and up to 10% DWS VLwS (3) = Deviation beyond 10% Dws and up to 20% DWS</p>	<p>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:</p> <p>A generating station based on solar or a hybrid of wind –solar resources or aggregation at a pooling station</p> <p>VLwS (1) = Deviation up to 5% DWS VLwS (2) = Deviation beyond 5% DWS and up to 10% DWS VLwS (3) = Deviation beyond 10% Dws and up to 20% DWS</p> <p>A generating station based on hybrid of wind-solar resources.</p> <p>Deviation band of the technology having higher installed capacity will be applicable.</p>	<p>supply, and the combined energy is supplied to match the base load of procurers.</p> <p>As this is a combination of two or more technologies which may/may not have proportionate technologies installed of combination of wind and solar. We request Hon’ble commission to apply deviation bands with respect to higher installed capacity of both the technologies.</p>
4.	<p>8. (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</p>	<p>8. (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 combined separate schedule for WS and ESS components through the Lead generator or QCA at the interconnection point. ii) Deviation corresponding to seller including WS and ESS component shall be charged at the</p>	<p>In the existing clause, Hon’ble commission has proposed to have a separate schedule for WS and ESS components connected through a lead generator.</p> <p>ESS has different used cases and vary from project to project, mostly it is used to balance the intermittent nature of energy supply, hence we request Hon’ble commission to have a combined schedule rather than a separate schedule for WS and ESS components.</p>

	<p>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</p> <p>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.</p>	<p>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</p> <p>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.</p>	
5.	Additional comments:	Clarification on Definition of pooling station	We request Hon'ble commission to define pooling station and provide clarity whether pooling of generation of connected individual generating stations is connected at Grid substation or at generator pooling substation level.
6.	Additional comments:	Define process of Aggregation of generation of developers through QCA. (Mechanism of distribution of Penalties).	<p>In the proposed regulation, Hon'ble commission has discussed about aggregation of generation at pooling station through QCA.</p> <p>In this point, clarity is missing how will be the aggregation will be done with generators with and without QCA and how will the deviation error be calculated with respect to that. If a pooling station having certain capacity with QCA and balance capacity without QCA how the aggregation will be calculated.</p> <p>We request Hon'ble commission to define the process of basic parameters of aggregation of developers at a pooling station through QCA. In absence of this, there will be disputes and aggregation may become a non-starter.</p>