



ASSAM POWER DISTRIBUTION COMPANY LTD.

CIN: U40109AS2003SGC007242

Office of Chief General Manager, Commercial & Energy Efficiency

No:APDCL/GM(TRC)/Misc(Part-II)/MD/2023/ 38
.05.2024

Date: 24.05.2024

To

The Secretary,CERC
3rd and 4th Floor
Chanderlok Building, 36
Janpath, New Delhi-110001

Subject: Comments on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024

Reference: No. L-1/260/2021/CERC Dated: 30.04.2024

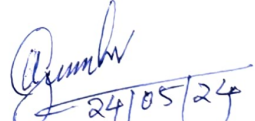
Sir,

With reference to the aforementioned subject, kindly find enclosed the detailed views and comments of APDCL regarding the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024.

This is for your kind information and necessary action.

Encl: as above

Yours faithfully

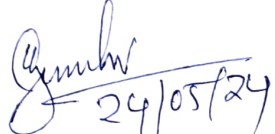

24/05/24
Chief General Manager (COM&EE)
APDCL, Bijulee Bhawan

Memo No: APDCL/GM(TRC)/Misc(Part-II)/MD/2023/ 38(a)
2024

Date: 24.05.2024


Copy to:

1. P.S to the MD,APDCL- for kind information of Hon'ble MD,APDCL.
2. Office Copy.


24/05/24
Chief General Manager (COM&EE)
APDCL, Bijulee Bhawan

Clause	Proposed in draft regulation,DSM 2024	Views and Comments
3(k) Defination	'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;	Deviation due to CTU constraint/corridor constraint should not be included in deviation.
3(v) Defination	'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;	Clarification is sought regarding the term "control area" as used in this context. Specifically, does this include generators from Central Sector Generating Stations (CSGS) with which DISCOMs have Power Purchase Agreements (PPA), or is it limited solely to solar plants connected to the State Transmission Utility (STU)? Additionally, it is suggested to include hydro generators in the definition, as hydro power is recognized as a renewable source of energy
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.	The implementation of the Scheduling, Accounting, Metering and Settlement of Transactions in Electricity (SAMAST) framework is going on to ensure uniformity and automation in energy accounting. This is critical for the effective enforcement of the Deviation Settlement Mechanism (DSM) regulations. Therefore, it is felt that implementation of the new draft DSM regulation be done only after full implementation of SAMAST Project.

General Manager (TRC)
APDCL, Bijulee Bhawan, Ghy-01

5. Adherence to Schedule and Deviation	<p>(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.</p> <p>(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</p>	Deviation due to CTU constraint/corridor constraint should not be included in deviation
6. Computation of Deviation(3)	<p>Deviation in a time block for buyers shall be computed as follows: Deviation- buyer (DB) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)]. Deviation- buyer (DB) (in %) = 100 x [(Actual drawal in MWh) – (Scheduled drawal in MWh)] / [(Scheduled drawal in MWh)].</p>	Deviation due to CTU constraint/corridor constraint should not be included in deviation
7. Normal Rate of Charges for Deviations	<p>(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].</p>	<p>It is requested that CERC ensures the publication of deviation charges prior to the commencement of each respective time block. This advance notice will facilitate better planning and operational efficiency for distribution companies (DISCOMs).</p> <p>And in case , the proposed formula of consideration of all DAM,RTM and AS is decided then, the normal rate of charges for deviations should be set to the minimum of all prices discovered across Integrated Day-Ahead Market (DAM), Real Time Market (RTM), and Ancillary Services (AS). This approach aims to mitigate the financial burden on DISCOMs and promote equitable and sustainable energy market operations.</p> <p style="text-align: right;">  Regional Manager (TRG) 11, 'Sri' Bhawan, Ghy-01 </p>

8. (7) Charges for deviation

Charges for Deviation

It is requested that the receivable for DISCOMs in cases of under-drawal, when the frequency is below 49.90 Hz, be atleast 150% of the normal rate. This recommendation aligns with the existing DSM 2022 regulations, in contrast to the 95% proposed in the current draft regulation.

Considering that the payable for DISCOMs in cases of over-drawal when the frequency is less than 49.90 Hz is 150% of the normal rate, it is both equitable and conducive to system stability that the receivable for under-drawal be similarly compensated. By aligning the receivable rate for under-drawal to 150% of the normal rate, DISCOMs would have a commercially attractive incentive to assist in load management during periods of lower frequency by curtailing load and thus reducing the demand on the grid.

This adjustment not only promotes financial fairness but also encourages proactive participation from DISCOMs in maintaining grid stability during low-frequency events. It is requested that this consideration be incorporated into the finalization of the DSM regulations.

It is suggested that the imposition of charges for under-drawal when the frequency is above 50.10 Hz should not be implemented. Excluding these charges would allow distribution companies (DISCOMs) to manage their load more effectively without incurring unnecessary financial penalties during periods of high frequency. It is therefore requested that this consideration be taken into account in the finalization of the relevant regulations.



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8.7 Charges for deviation	Buyer Volume Limit Buyer other than (the buyer with a schedule less than 400 MW and the RE-rich State) VLB (1) = Deviation up to [10% DBUY or 100 MW, whichever is less] VLB (2) = Deviation [beyond 10% DBUY or 100 MW, whichever is less] and up to [15% DBUY or 200 MW, whichever is lower] VLB (3) = Deviation beyond [15% DBUY or 200 MW, whichever is less]	<p>In consideration of the intermittent nature and increased penetration of renewable energy sources, it is suggested that the Volume Limits be adjusted as follows:</p> <ol style="list-style-type: none"> 1. For VLB(1), the volume limit should be increased to 20% or 200 MW, whichever is higher. 2. Similarly, for VLB(2) and VLB(3), an increment of 10% and 100 MW, respectively, should be added to the defined values in the draft regulation. <p>These adjustments are necessary to accommodate the variability while integrating a higher share of renewable energy. It is requested that this proposal be duly considered in the finalization of the regulatory framework.</p>
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General Manager (FRC)
APNCL, Bijaee Bhawan, Ghy-3