



**GUJARAT ENERGY TRANSMISSION CORPORATION LIMITED
STATE LOAD DESPATCH CENTRE**

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Ref. No: SLDC/CE/MIS/CERC/ 3776

Date: 13.05.24

To,

The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36, Janpath, New Delhi-110 001
Fax No: 011-23753923

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

Ref: Hon'ble CERC Notice No. L-1/260/2021/CERC Dated 30.04.24

Dear Sir,

Vide notice under ref; Hon'ble CERC has invited comments/ suggestions / objections from the stakeholders on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024.

In this regard, SLDC – Gujarat would like to submit following comments:

Comments in Definitions part:

1. There shall be three categories for Renewable Energy State:

RE-rich State	'RE Super-rich State	RE Most superior rich state
State whose combined installed capacity of solar (including roof top solar certified by SNA) and wind generating stations under the control area of the State is 1000 MW or more but less than 5000 MW;	State whose combined installed capacity of solar (including roof top solar certified by SNA) and wind generating stations under the control area of the State is 5000 MW or more but less than 10000 MW;	State whose combined installed capacity of solar (including roof top solar certified by SNA) and wind generating stations under the control area of the State is more than 10000 MW;

2. Comments in regulation 6 on Computation of Deviation:

In 6.2, the Deviation-WS seller (DWS) (in %) shall be as under:

Deviation-WS seller (DWS) (in %) = $100 \times [(Actual\ Injection\ in\ MWh) - (Scheduled\ Generation\ in\ MWh)] / [50\% \text{ of scheduled generation in Mwh} + 50\% \text{ of Available Capacity}]$.

Rationale: India aims for 500 GW of renewable energy installed capacity by 2030. Hence, there is need to reduce deviation criteria gradually in phase manner by replacing available capacity by scheduled generation.

3. Comments in regulation 7 on Normal Rate of Charges for Deviations:

a) As per the proposed draft regulation, the Normal Rate (NR) for a particular time block shall be equal to the sum of:

1. 1/3 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];
2. 1/3 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and
3. 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]

SLDC Gujarat is hereby suggest that the Normal Rate (NR) for a particular time block shall be equal to the sum of:

1. 1/2 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];
2. 1/2 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges];

Rationale:

The Ancillary Service is support service and it is deployed to secure the grid from unwarranted conditions from the utility or uncontrolled parameters of the grid. It is in addition to prime service i.e. assisting features not as an essential feature.

In addition, the real time system operation are being carried out considering the here and now terminology as per the prevailing code and regulations. The rate are taken in to considerations

in real time operations is as per the market-based data. If the weightage of Ancillary services would be added, then such actions are not identical in post facto analysis. These grid operation / pertaining action are differed while post facto i.e. actual analysis of the performance and its leads / produce the different & unlike impact to the utility.

There shall be identical action performed by grid operators instead of unknowing impact of the DSM rate subsequently. Therefore, the Ancillary Service Charge (1/3) will also impact more uncertain performance and does not have confident actions of economical dispatch by SLDC.

Therefore, Grid operator upfront should know the DSM rate. Hence, SLDC Gujarat believes that the component of Ancillary services should not be part of the Normal rate of DSM.

b) In Normal rate of charge, there is need to provide cap. Hence, the following proviso shall be added:

“Further provided that the normal rate is subject to a ceiling of 10 Rs per kWh”.

Rationale: In petition 04/SM/2023 (para 6), Hon’ble commission in public interest, directs all the Power Exchanges to re-design their bidding software for the period from 04.04.2023 until further orders, in such a way that the members can quote the price in the range of (a) Rs.0/kWh to Rs.10/kWh for all contracts, viz., DAM(including GDAM), RTM, Intra-day, Day Ahead Contingency and Term-Ahead (including GTAM); and (b) Rs.0/kWh to Rs.20/kWh in the HP-DAM segment. This in our view would reduce the cost of power for the buyers, while providing an opportunity to the high cost generators and the willing buyers to participate in the HP-DAM market.

4. Comments in regulation 8 i.e. Charges for Deviations:

In the draft regulation 8 clause (7), SLDC Gujarat suggest that the new category in volume limits of buyer to be added for most superior RE rich State:

Buyer (being RE Most superior rich state)	VL _B (1) = Deviation up to 400 MW VL _B (2) = Deviation beyond 400 MW and up to 500 MW VL _B (3) = Deviation beyond 500 MW
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Rationale:

There are many States having REs more than **10000 MW** and their installation dispersed to large geographical area. Hence, the generation from Intra State RE sources are intermittent and unpredictable for the State. Therefore, it is very difficult to manage deviation within in ± 250 MW.

Further, all major RE rich States are having 40% portfolio of ISGS and 25 to 30% installation of RE. The regional entities are very much dependent on effect of change in revision in ISGS facilitated by RLDC for controlling the drawl. Because of introduction of Real Time Market and implementation of LPS rule, the flexibility of regulating Intra / Inter State generators are depleting.

In addition, SLDC – Gujarat suggest the following changes in the Charges for Deviation in respect of a Buyer:

Deviation by way of Under drawl by the buyer:

1. For $VL_B(3)$ limit, the under drawl by the buyer shall be receivable @ 50% of NR when $f \leq 50.00$ Hz.
2. For $VL_B(3)$ limit; the under drawl by the buyer shall be receivable @ 25% of NR when f in between $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$.

Deviation by way of over drawl (Payable by the Buyer):

Volume limit	Frequency range	Proposed provision in regulation	SLDC – Gujarat suggestion
$VL_B(1)$	$49.90 \text{ Hz} \leq f < 50 \text{ Hz}$	for every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 5% of NR so that charges for deviation become 150% of NR when $f = 49.90 \text{ Hz}$.	For every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 2% of NR so that charges for deviation become 120% of NR when $f = 49.90 \text{ Hz}$.
$VL_B(2)$	$f \leq 50.00 \text{ Hz};$	@ 150% of NR	<ol style="list-style-type: none"> 1. 120% of NR when f in the range of $49.90 \text{ Hz} \leq f < 50 \text{ Hz}$. 2. 150% of NR when $f < 49.90 \text{ Hz}$.

			3. @ NR when [50.00 Hz ≤ f ≤ 50.05 Hz]; 4. @ 75% NR when [50.05 Hz < f < 50.10 Hz]; 5. @ Zero when [f ≥ 50.10 Hz].
VL _B (3)	f < 50.00 Hz	@ 200% of NR	1. 200% of NR when f < 49.90 Hz 2. 150% of NR when f in range of 49.90 Hz ≤ f < 50 Hz 3. 110% of NR when f in range of 50.00 Hz ≤ f < 50.05 Hz 4. NR when f in range of 50.05 Hz ≤ f < 50.10 Hz 5. 50% of NR when f ≥ 50.10 Hz
	f ≥ 50.00 Hz	@ 110% of NR	

5. Declaration of Duration of Force majeure event (To be added):

Declaration of Duration of Force majeure event shall be decided by the Operation Coordination Committee of respective Regional Power Committee of CEA upon request of State LDC.

As per the IEGC-2010, the "Force Majeure" means:

Any event which is beyond the control of the persons involved which they could not foresee or with a reasonable amount of diligence could not have foreseen or which could not be prevented and which substantially affects the performance by person such being the following including but not limited to :-

- a) Acts of God, natural phenomena, floods, droughts, earthquakes and epidemics;
- b) Enemy acts of any Government domestic or foreign, war declared or undeclared, hostilities, priorities, quarantines, embargoes;
- c) Riot or Civil Commotion;
- d) Grid's failure not attributable to the person.

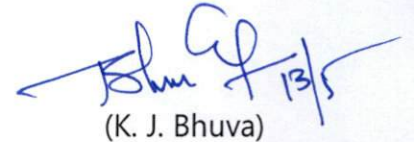
e) **Grid disturbance beyond control due to natural calamities as decided by RPC**

In "Force majeure" event, it is very difficult to adhere the net drawl schedule strictly. In such condition, the deviations from net drawl schedule is uncontrollable despite of taking various measures. In IEGC – 2010 and its subsequent amendments or in the CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014, there is no provision of declaration of "Force majeure" event as a grid disturbance, which leads to heavy penalties to the concern State subsequently to the State Discoms.

During such event, there is need to replace the drawl schedule of the affected entities with actual drawl to avoid penalty under DSM for the affected period or at least additional charges should be waived.

Hon'ble commission is requested to consider above suggestions in Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 .

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Bhuvra" followed by a date "13/5".

(K. J. Bhuvra)

Chief Engineer, SLDC
Vadodara – Gujarat

Copy to:

1. The Chief Executive Officer, POSOCO, New Delhi
2. The Member Secretary, Western Regional Power Committee, Mumbai
3. The General Manager (Comm), GUVNL CO, Vadodara