



**Ref. No: IPCL/CERC/ 19**

**Date: 24-05-2024**

The Secretary  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building  
36, Janpath Road,  
New Delhi - 110 001  
secy@cercind.gov.in / advisor-re@cercind.gov.in

**Subject: Comments/ Suggestions on draft Central Electricity Regulatory Commission  
(Deviation Settlement Mechanism and Related Matters) Regulations, 2024**

**Reference: L-1/260/2021/CERC dt: 30-04-2024**

Sir,

With reference to L-1/260/2021/CERC dt: 30-04-2024, we furnish our comments/suggestions on the above draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 for your kind consideration. We shall be grateful if the Hon'ble Commission recognizes our concerns and makes necessary modifications.

Yours faithfully,

(Arkajyoti Bhattacharjee)

**Deputy Manager (Regulatory Affairs)**

**India Power Corporation Limited**

CIN – L40105WB1919PLC003263

Registered Office : Plot No. X1 - 2 & 3, Block - EP, Sector - V, Salt Lake City, Kolkata - 700091

Ph : +91 33 6609 4300 / 08 / 09 / 10 , Fax : +91 33 2357 2452

Central Office : Sanctoria, P.O. - Dishergarh, District - Burdwan, Pin - 713333 (W.B.)

Ph : (0341) 6600452 / 454 / 455 / 456 / 457, Fax : (0341) 6600464

E-mail : pr@indiapower.com, Web : www.indiapower.com

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

It is respectfully submitted that Deviation Settlement Mechanism, for a grid connected entity is to be determined by the Appropriate Commission under Section 178 read with clauses (c) and (h) of sub-section (1) of Section 79 of the Electricity Act, 2003 (36 of 2003). Therefore, the Deviation Settlement Mechanism Regulations framed by the Hon'ble Commission hold immense importance for the entire electricity sector of the nation.

India Power Corporation Limited (IPCL) is a distribution licensee operating in the state of West Bengal. Comments/ suggestions of IPCL on the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 is placed herein below for kind consideration of the Hon'ble Commission.

Clause	Draft Regulation	IPCL's Comments/ Suggestions
3. 1. (g)	'Available Capacity' for generating station based on wind or solar or hybrid of windsolar 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;	'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 are in operation that are capable of generating power in a given time block;
3. 1. (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;	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 or price as indicated under Bilateral Power Purchase Agreements, signed between Consumers (including group captive and captive consumers) and generators or the rate declared by the AS provider, 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;



3. 1. (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;	‘Renewable Rich State’ or ‘RE-rich State’ means a State whose combined installed capacity of solar and wind and hybrid of wind-solar with or without BESS and hydro generating stations under the control area of the State or the contracted capacity of renewable energy by all entities connected to the State is 1000 MW or more but less than 5000 MW;
3. 1. (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;	‘Renewable Super Rich State’ or ‘RE Super-rich State’ means a State whose combined installed capacity of solar and wind and hybrid of wind-solar with or without BESS and hydro generating stations under the control area of the State or the contracted capacity of renewable energy by all entities connected to the State is 5000 MW or more;
3. 1. (y)	‘Run-of-River Generating Station’ or ‘RoR generating station’ means a hydro generating station which does not have upstream pondage;	‘Run-of-River Generating Station’ or ‘RoR generating station’ means a hydro generating station which does not have upstream pondage and the small hydro projects with pondage of about 3 hours;
3. 1. (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;	‘General seller’ means a seller in case of a generating station based on other than wind or solar or hybrid of wind-solar resources or the thermal generators participating under the scheme for Flexibility in Generation and Scheduling of Thermal Power Stations;
3. 1. (u)	‘Regional Entity’ means a person whose metering and energy accounting are done at the regional level by the Regional Load Despatch Centre;	‘Regional entity’ means an entity whose scheduling, metering and energy accounting is done at the regional level by the concerned Regional Load Despatch Centre as defined in Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations
New Clause as 6.4	New Clause	Deviation in a time block for W-S buyers shall be computed as follows: Deviation- W-S buyer (DBWS) (in MWh) = [(Actual drawal in MWh) – (Scheduled drawal in MWh)]. Deviation- W-S buyer (DBWS) (in %) = 100 x [(Actual drawal in MWh) – (Scheduled drawal in MWh)] / [(Available Capacity in MWh)].
New Clause as 5.3	New Clause	Deviation caused due to transmission constrains should not be considered as deviation. Deviation caused during Ramping up (synchronisation or else) and Ramping down should not be penalised.



New Clause as 6.5	New Clause	Regional balancing will ensure better and efficient utilization of Wind and Solar technologies by allowing them a larger collective margin for deviation. Thus, the deviation for WS sellers/ buyer should be computed on regional basis and the net deviation charges shall be apportioned among the WS sellers/ buyer of respective regions.
7	Normal Rate of Charges for Deviations	IPCL further that normal rate of charges for deviation should be equal to the least of all the prices discovered in order to decrease the financial hardship on DISCOMs.
7.1	<p>The Normal Rate (NR) for a particular time block shall be equal to the sum of:</p> <p>(a) 1/3 [ Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];</p> <p>(b) 1/3 [ Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and</p> <p>(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>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:</p>	<p>The Normal Rate (NR) for a particular time block shall be equal to the sum of:</p> <p>(a) 1/3 [ Least ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];</p> <p>(b) 1/3 [ Least ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and</p> <p>(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 that Regions].</p> <p>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) ie, (c) shall be ZERO (0).</p>



8.7	Charges for Deviation, in respect of a Buyer	IPCL suggested to compensate the buyer for the quantum of underdrawal energy either at cost of procurement of power. IPCL further suggested that under drawl by a utility when supporting the grid should be considered as Ancillary Service and the drawee entity should be paid in case of under drawl from the pool. IPCL suggested that due to high penetration of RE energy, the deviation limit provided for the state should be increased.
	Suggestions	IPCL has suggested to: i. right to withhold the payment in case of dispute. ii. energy supplied by from RE generators eligible for RPO/ HPO under SRAS-Up and TRAS-Up, should get accounted for RPO & HPO of the concerned DISCOM which is overdrawing the power.

