Date: 24th May, 2024

To,
The Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Sub: Jindal Power Limited's (JPL's) comments on "Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024"- Reg

Sir,

This has reference to CERC Public Notice no. Eco-4/2022- CERC dated 12.10.2022, wherein CERC has soght comments of the stakeholders on ""Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024".

In this regard, we are pleases to submit our comments/concerns attached herewith and marked as **ANNEXURE-1** for your kind consideration.

We look forward to your kind co-operation as always.

Thanking you
Yours faithfully,

Gagan Verma
AGM – Power Trading

JINDAL POWER LIMITED

Jindal Power Limited
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Annexure-I

Comments on Draft DSM Regulations 2024:

Clause Ref & No	Clause	Suggested Amendment	Rationale for Amendment
Clause 7(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	The Normal Rate (NR) for a particular time block shall be equal to : (a) The average cost of supply of power through all the fuel sources	Power Exchange prices are highly volatile and may not be good enough incentive for generators to over inject at high frequency if the Exchange prices are quite low which will not help the system
Clause 8	Charges for deviation: **Deviation by the way of over injection:** (ii) When [50.00 Hz < f ≤50.05 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 = 50.05Hz (iii) When [49.90 ≤ f < 50.00 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 = 49.90Hz	**Deviation by the way of over injection:** (ii) When [50.00 Hz < f ≤50.05 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 = 50.05Hz (iii) When [49.90 ≤ f < 50.00 Hz], for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 10% of RR so that charges for deviation become 115% of RR when f = 49.90Hz	The incentive for over injection as frequency decreases is much lower than when frequency is high, which will compel generators to under inject even when frequency is higher to save the fuel, this might result in grid instability. Hence incentive for over injection at lower frequency shall be higher and increase over RR shall be same i.e. 10% of when frequency is above 50Hz

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