

MB POWER (MADHYA PRADESH) LIMITED

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MBPMPL/ANP-I/CERC/2024-25/1773

31.05.2024

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

Subject: *Comments/ suggestions of MB Power (Madhya Pradesh) Limited on the Draft Central Electricity Regulatory Commission (DSM) Regulations, 2024, Dated: 30.04.2024*

Ref: *Hon'ble CERC Public Notice(s) dated 30.04.2024 and 24.05.2024 on the subject matter.*

Dear Sir,

We write in reference to the above referred Public Notice(s) dated 30.04.2024 issued by this Hon'ble Commission vide which comments/ suggestions of the various stakeholders have been invited on the Draft CERC (DSM) Regulations, 2024.

We, MB Power (Madhya Pradesh) Limited, are a Generating Company having an operational coal based Thermal Power Project in district Anuppur of Madhya Pradesh. We are hereby furnishing our detailed comments/ concerns/ suggestions on the said Approach Paper (enclosed herewith as *Annexure-1*) for your kind consideration.

We hope you would acknowledge a genuine merit in our comments/ concerns/ suggestions and would consider the same favourably while issuing the final Central Electricity Regulatory Commission (DSM) Regulations, 2024.

Thanking You,

Yours Truly



Abhishek Gupta
AVP (Regulatory Affairs & Commercial)
MB Power (Madhya Pradesh) Ltd.

1) Regulations 3 (1) (x) ; of the Draft DSM Regulation,2024

Our Comments:

- A) According to the draft Regulations “RR” (Reference Charge Rate) means for a General Seller whose tariff is determined under Section 62 or Section 63 of the Act, Rs/ kWh Energy Charge as determined by the Appropriate Commission, or (ii) in respect of a general seller whose tariff is not determined under Section 62 or Section 63 of the Act, the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchanges, as the case may be.

Reference Charge Rate of General Seller Whose tariff is determined under Section 62 or Section 63 of the Act will be less than the General Seller having no PPA(s) under Section 62 and/or Section 63 i.e. whose tariff is weighted average ACP of the Day Ahead Market segments of all the Power Exchanges, during the High DAM price.

Due to This, Some Seller will be over-incentivizing in DSM for deviation from scheduled transactions, which could discourage market participants from actively participating in Ancillary Services (AS) and Very Purpose of Grid stability will not be fulfilled.

Hence it is requested to Hon'ble Commission to allow Capping in Reference Charge Rate to avoid the disparity between same types of General Seller.

2) Regulation 8 (1) of the Draft DSM Regulation,2024

Our Comments:

- A) Charges for Deviation, in respect of a general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller shall be as under

- For Deviation beyond [10% DGS or 100 MW, whichever is less] and f within and outside f_{band}

(i) Seller shall be paid back @ zero when ($f < 50.10$ Hz.)

(ii) Seller shall pay @ RR when [$f \geq 50.00$ Hz];

When frequency is below 49.90 Hz & over injection is beyond 10%, **we request to Hon'ble commission to allow for Receiving 115% of RR regardless of Volume Limit** as Generator Over injection plays important role to mitigate the risk of grid instability when Frequency is less than 49.90 Hz.

Similarly In case of Frequency above 50.05 Hz & Under Injection beyond 10% **we request to allow generators to pay only 85% of RR instead of 100% of RR regardless of Volume limit.**

B) Further, as per Regulation 8(1) (III) for any Deviation beyond [10% DGs or 100 MW, whichever is less], the Seller would not be paid any amount (when $f < 50.10$ Hz) and would be required to pay 10% of RR (when $f \geq 50.10$ Hz).

It needs to be adequately clarified that the above provision shall be applicable in a staggered manner which is exemplified as follows:

For Deviation = 11% of DGs:

- a) Deviation up to first 10% shall be governed under Regulation 8(1) (I) (where f is within band) and 8(1) (II) (where f is outside the band) ;
- b) And only the incremental Deviation of 1% (11% -10%) beyond 10% shall be governed by Regulation 8(1) (III).