3rd June 2024

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

Clause No.	Draft Amended Regulation	Change suggested	Rationale
3 (1)	New Definition	(s-i) **Pooling Station-** shall have the same meaning as defined in the Indian Electricity Grid Code.	Hon'ble Commission is requested to define pooling station
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, 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 (Except HP-DAM) of all Power Exchanges for the respective time block	Hon'ble Commission is requested kindly exclude HP dam while considering ACP of day ahead market segments for purpose of contract rate. HPDAM, all together is different segment with ceiling of Rs. 20 /kWh however for other segment ceiling is fixed as Rs. 10/kWh hence it would not be appropriate to club HP-DAM with other day ahead segment like DAM & G-DAM.

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6. Computation of Deviation	(2) Deviation in a time block for WS sellers shall be computed as follows: Deviation-WS seller (DWS) (in MWh) = [(Actual Injection in MWh) – (Scheduled generation in MWh)]. Deviation-WS seller (DWS) (in %) = 100 x [(Actual Injection in MWh) – (Scheduled generation in MWh)] / [(Available Capacity)]	(2) Deviation in a time block for WS sellers shall be computed as follows: Deviation-WS seller (DWS) (in MWh) = [(Actual Injection in MWh) – (Scheduled generation in MWh)]. Deviation-WS seller (DWS) (in %) = 100 x [(Actual Injection in MW) – (Scheduled generation in MW)] / [(Available Capacity)]	Available capacity for Wind/Solar and hybrid generators is generally calculated in MW terms. The formula for calculation of deviation in percentage terms shows the units of scheduled generation and actual generation in terms of MWh. It is requested that MWs as unit may be consider across the formula while calculating deviation in percentage terms.
7. Normal Rate of Charges for Deviations	(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		It is requested that Normal rate of charges along with calculations may be published on Grid India website on periodic basis.

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<tr><td></td><td>(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].
…..</td><td></td><td></td></tr>
<tr><td>8. Charges for Deviation</td><td>(4) Charges for Deviation, in respect of a WS Seller being a generating station based on wind or solar or hybrid of wind–solar resources, including such generating stations aggregated at a pooling station through QCA shall be without any linkage to grid frequency, as under:
<table><tr><th>Deviation by way of over injection (Receivable by the Seller)</th><th>Deviation by way of under injection (Payable by the Seller)</th></tr><tr><td>i) for VLwS (1) @ contract rate;
ii) for VLwS (2) @ 90% of contract rate
iii) for VLwS (3) @ 50% of contract rate,
iv) beyond VLwS (3) @ Zero;</td><td>v) for VLwS (1) @ contract rate;
vi) for VLwS (2) @ 110% of contract rate;
vii) for VLS3 @ 150% of contract rate;
viii) beyond VLwS (3) @ 200% of contract rate.</td></tr></table></td><td>(4) Charges for Deviation, in respect of a WS Seller being a generating station based on wind or solar or hybrid of wind–solar resources, including such generating stations aggregated at a pooling station through QCA shall be without any linkage to grid frequency, as under:
<table><tr><th>Deviation by way of over injection (Receivable by the Seller)</th><th>Deviation by way of under injection (Payable by the Seller)</th></tr><tr><td>ix) for VLwS (1) @ contract rate;
x) for VLwS (2) @ 90% of contract rate
xi) for VLwS (3) @ 50% of contract rate,
xii) beyond VLwS (3) @ Zero;</td><td>xiii) for VLwS (1) @ contract rate;
xiv) for VLwS (2) @ 110% of contract rate;
xv) for VLS3 @ 150% of contract rate;
xvi) beyond VLwS (3) @ 200% of contract rate.</td></tr></table></td><td>As per para 4.18 of EM for draft CERC (DSM) Regulations, 2024, the tolerance band for wind and solar generating stations in view of aggregation at the pooling station for inter-state wind and solar generating stations has been modified.
We would like to highlight that 2022 DSM Regulation was notified in March 2022 where new DSM charges was proposed which were further modified in the December 2022 by Order in 16/SM/2022. The charges were further modified in February 2023 vide Order in 1/SM/2024. It is pertinent to mention here that frequent regulatory changes impacts the viability of the project and increases the risk in the business. Draft Regulation again proposes modified (Tighter) slabs.</td></tr>
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<tr><td rowspan="3">A generating station based on solar or a hybrid of wind–solar resources or aggregation pooling station at a pooling station</td><td>VLwS (1) = Deviation up to 5% DWS</td></tr>
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<tr><td>VLwS (3) = Deviation beyond 10% Dws and up to 20% DWS</td></tr>
<tr><td rowspan="3">A generating station based on resource</td><td>VLwS (1) = Deviation up to 10% DWS</td></tr>
<tr><td>VLwS (2) = Deviation beyond 10% DWs and up to 15% DWs</td></tr>
<tr><td>VLwS (3) = Deviation beyond 15% Dws and up to 25% DWs</td></tr>
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Note: In case of aggregation of WS sellers at a pooling station through QCA,
(a) the contract rate for the purpose of deviation shall be equal to the weighted average of the contract rates of all individual WS seller(s) opting for aggregation at the pooling station;</td>
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Note: In case of aggregation of WS sellers at a pooling station through QCA,
(a) the contract rate for the purpose of deviation shall be equal to the weighted average of the contract rates of all individual WS seller(s) opting for aggregation at the pooling station;
(b) Available Capacity shall be equal to the cumulative capacity rating of wind</td>
<td>Hon’ble Commission is requested to keep Deviation charges same as it was mentioned in the Order in 1/SM/2024 with aggregation at polling station allowed. Once the impact of aggregation tested the Commission can go ahead with tighter norms of deviation.

Further, As per Regulation 8 (4) (c) depooling of deviation charges shall be as per the methodology mutually agreed upon between the QCA and individual WS seller(s), We request hon’ble Commission to prescribe the methodology for de-pooling to avoid conflicts between the developers. It is suggested that de-pooling may be done in the ratio of actual deviation by individual generator.</td>
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	(b) Available Capacity shall be equal to the cumulative capacity rating of wind turbines or solar inverters that are capable of generating power in a given time block; (c) depooling of deviation charges for WS seller(s) connected to the pooling station shall be as per the methodology mutually agreed upon between the QCA and such individual WS seller(s)	turbines or solar inverters that are capable of generating power in a given time block; (c) depooling of deviation charges for WS seller(s) connected to the pooling station shall be as per the methodology ~~mutually agreed upon between the QCA and such individual WS seller(s)~~ prescribed in **'Annexure A'** of these Regulation.	
8(6)	Charges for Deviation, in respect of an ESS co-located with WS Seller(s) connected at the same interconnection point, shall be as follows: i) Such seller shall provide a separate schedule for WS and ESS components through the Lead generator or QCA at the interconnection point; ii) Deviation corresponding to WS component shall be charged at the same rates as applicable for WS Seller being a generating station based on solar or hybrid of wind-solar resource in accordance with clause (4) of this regulation; and	Charges for Deviation, in respect of an ESS co-located with WS Seller(s) connected at the same interconnection point, shall be as follows: i) ~~Such seller shall provide a separate schedule for WS and ESS components through the Lead generator or QCA at the interconnection point~~; ii) Deviation corresponding to WS component shall be charged at the same rates as applicable for WS Seller being a generating station based on solar or hybrid of wind-solar resource in accordance with clause (4) of this regulation; and iii) Deviation corresponding to the ESS component shall be charged at the same rates as applicable for a	ESS is an integral part of WS component. The purpose of ESS to reduces variability and intermittency in the WS component. Hon'ble commission is requested to allow combined scheduling for co-located ESS. Deviation penalty may be calculated on the net off generation (WS + ESS).

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	iii) Deviation corresponding to the ESS component shall be charged at the same rates as applicable for a standalone ESS in accordance with clause (5) of this regulation.	standalone ESS in accordance with clause (5) of this regulation.	