



West Bengal State Electricity Distribution Company Limited

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Memo. No. : REG/CERC/ 81

Date :22/05/2024

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

Sub: Comments/ Suggestion of WBSEDCL on the draft Central Electricity
Regulatory Commission (Deviation Settlement Mechanism and Related
Matters) Regulations, 2024.

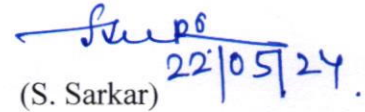
Ref: Public Notice of CERC under Memo. L-1/260/2021/CERC dated
30.04.2024.

Sir,

With refernce to above, comments/ Suggestion of WBSEDCL on the draft Central
Electricity Regulatory Commission (Deviation Settlement Mechanism and Related
Matters) Regulations, 2024 is attached for your consideration please.

Enclo: As stated

Yours faithfully,


22/05/24.

(S. Sarkar)

Chief Engineer (Regulation)

Observation of WBSEDCL on draft CERC DSM Regulations, 2024

Ref: Public Notice of CERC under Memo. L-1/260/2021/CERC dated 30.04.2024.

Clause No.	As per Draft Regulation	Amendment proposed	Reason
8/(7)/(I) , (II) & (III)	<p>(I) For VLB (1) and f within f_{band} i) @ 85% of NR NR when $f = 50.00$ Hz; ii) When $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$, for every increase in f by 0.01 Hz, charges for deviation for such buyer shall be decreased by 7% of NR so that charges for deviation become 50% of NR when $f = 50.05 \text{ Hz}$;</p> <p>iii) When $49.90 \leq f < 50.00 \text{ Hz}$, for every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 1 % of NR so that charges for deviation become 95% of NR when $f = 49.90 \text{ Hz}$;</p> <p>(II) For VLB (1) and f outside f_{band} (i) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$: Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10 \text{ Hz}]$; (ii) @ 95% of NR when $[f < 49.90 \text{ Hz}]$;</p> <p>(III) For VLB (2) and f within and outside f_{band} (i) @ 80% of NR when $f \leq 50.00 \text{ Hz}$; (ii) @ 50% NR when $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$</p>	<p>(I) For VLB (1) and f within f_{band} i) @ 85%100% of NR NR when $f = 50.00 \text{ Hz}$; ii) When $50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}$, for every increase in f by 0.01 Hz, charges for deviation for such buyer shall be decreased by 7%10% of NR so that charges for deviation become 50% of NR when $f = 50.05 \text{ Hz}$;</p> <p>iii) When $49.90 \leq f < 50.00 \text{ Hz}$, for every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 1.5 %11.5 % of NR so that charges for deviation become 95%115% of NR when $f = 49.90 \text{ Hz}$;</p> <p>(II) For VLB (1) and f outside f_{band} (i) @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$: Provided that such buyer shall pay @ 10% of NR when $[f \geq 50.10 \text{ Hz}]$; (ii) @ 95%115% of NR when $[f < 49.90 \text{ Hz}]$;</p> <p>(III) For VLB (2) and f within and outside f_{band} i) @ 80% of NR when $f \leq 50.00 \text{ Hz}$; (ii) @ 50% NR when $[50.00 \text{ Hz} < f \leq 50.05 \text{ Hz}]$; @ zero when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$;</p>	<p>During downward trend of frequency from 50Hz., any deviation irrespective of source, which causes injection of power towards the grid should be encouraged with commercial incentive with a view to arrest further frequency fall. In such cases, both the Over injection from Seller/Generators & Under drawl from the Buyers have equal technical importance for improving Grid stability.</p> <p>But as per the draft Regulations, Sellers /Generators have been encouraged for over injection with additional financial incentive up to 50% whereas for the Buyer no such incentive has been proposed for their under drawl. Even the full DSM charge is not allowed to buyers for their under drawl under such condition. Buyers have been allowed maximum upto 95% of DSM charge (under VLB1 condition) even when the frequency is at any value below 49.90Hz.</p> <p>Hence, such commercial discriminatory treatment, as proposed in the draft Regulations, is required to be reviewed by the Honorable Commission for the purpose of effectively maintaining the Grid stability.</p>


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 Chief Engineer (Regulation)
 Regulation Department
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Clause No.	As per Draft Regulation	Amendment proposed	Reason
	<p>Hz]; @ zero when [50.05 Hz < f < 50.10 Hz]: Provided that such buyer shall pay @10% of NR when [f ≥ 50.10 Hz];</p> <p>(IV) For VLB (3) and f within and outside f_{band} (i) @ zero when f < 50.10 Hz: Provided such buyer shall pay @ 10% of NR when [f ≥ 50.10 Hz];</p>	<p>Provided that such buyer shall pay @10% of NR when [f ≥ 50.10 Hz];</p> <p>(IV) For VLB (3) and f within and outside f_{band} (i) @ zero when f < 50.10 Hz: Provided such buyer shall pay @ 10% of NR when [f ≥ 50.10 Hz];</p>	
8/(7)/Note (para-2)	<p>Note: Volume Limits for Buyer: Buyer (with a schedule up to 400 MW) VLB (1) = Deviation [20% DBUY or 40 MW, whichever is less] VLB (2) = Deviation beyond [20% DBUY or 80 MW, whichever is less]</p>	<p>Segregation of DISCOM size in terms of schedule may not be considered.</p>	<p>The segregation of DISCOM size in terms of schedule was introduced by the Hon'ble Commission with some relaxation in deviation volume limit vide Order against Petition No. RP/06/2014.</p> <p>At the time of issuance of such order, there was nothing close to Real Time Market (RTM) Product in the market, so that small DISCOMs can tune their wide Deviation in real time precisely. At that time they had to depend on DAM & TAM product only for deviation management.</p> <p>With the successful implementation of Real Time market with effect from 1st June, 2020, which is now quite matured at present scenario and enables market participants to manage their real time Deviation comfortably.</p>


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			<p>So, any market participant irrespective of their schedule size may tune their Deviation with the active participation in RTM product. Moreover, the RTM product allows participants to trade minimum 0.1 MW (100 KW) in 15 minutes time block, which means any market participants can tune their deviation with a minimum level of 100 KW. So, this segregation of DISCOM size is not relevant in present scenario.</p> <p>With the disallowance of such segregation, participation from such DISCOMs/Seller will increase significantly, which in turn will give rise in the RTM liquidity.</p>
8/(7) (III) – (iii) & (iv)	<p>(III) For VLB (2) and f within and outside f_{band} (iii) @ 150% of NR when $f \leq 50.00$ Hz; (iv) @ NR when $[50.00 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$; @ 75% NR when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$; @ zero when $[f \geq 50.10 \text{ Hz}]$.</p>	<p>(III) For VLB (2) and f within and outside f_{band} (iii) @ 150% of NR when $f \leq 50.00$ Hz; (iv) @ NR when $[50.00 \text{ Hz} \leq f \leq 50.05 \text{ Hz}]$; @ 75% NR when $[50.05 \text{ Hz} < f < 50.10 \text{ Hz}]$; @ zero when $[f \geq 50.10 \text{ Hz}]$.</p>	<p>Typographic mistake which may otherwise create confusion in selecting the schedule limits.</p>
9/(7)	<p><i>"In case of deficit in the Deviation and Ancillary Service Pool Account of a region, the surplus amount available in the Deviation and Ancillary Service Pool Accounts of other regions shall be used for settlement of payment under clause</i></p>	<p>"In case of deficit in the Deviation and Ancillary Service Pool Account of a region, the surplus amount available in the Deviation and Ancillary Service Pool Accounts of other regions shall be used for settlement of payment under clause (6) of this Regulation:</p>	<p>Mainly Surplus of Deviation and Ancillary Service Pool Account is used to cater the cost of Ancillary Services actuation in real timewith a view to maintain the Grid Stability. All the Grid members/ISTS Connected utilities are the beneficiary of such Stabled Grid.</p>


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Clause No.	As per Draft Regulation	Amendment proposed	Reason
	<p><i>(6) of this Regulation: Provided that in case the surplus amount in the Deviation and Ancillary Service Pool Accounts of all other regions is not sufficient to meet such deficit, the balance amount shall be recovered from the drawee DICs - (i) for the period from the date of effect of these regulations till 31.03.2025, in the ratio of [50% in proportion to their drawal at the regional periphery] and [50% in proportion to their GNA]; and (ii) from 01.04.2025, in the ratio of the shortfall of reserves allocated by NLDC to such DICs in accordance with the detailed procedure to be issued in this regard by the NLDC with the approval of the Commission"</i></p>	<p>Provided that in case the surplus amount in the Deviation and Ancillary Service Pool Accounts of all other regions is not sufficient to meet such deficit, the balance amount shall be recovered from the drawee DICs ISTS connected utilities & State embedded Open Access Customers- (i) for the period from the date of effect of these regulations till 31.03.2025, in the ratio of [50% in proportion to their drawal] injection at the regional periphery] and [50% in proportion to their GNA]; and (ii) from 01.04.2025, in the ratio of the shortfall of reserves allocated by NLDC to such ISTS connected utilities & State embedded Open Access Customers DICs in accordance with the detailed procedure to be issued in this regard by the NLDC with the approval of the Commission"</p>	<p>In the event of Grid instability/Disturbance/Failure, operation of both Drawee and injecting utilities get affected. Therefore, such pool deficit should be shared with all ISTS Connected Utilities & should not be limited among the drawee utilities only.</p>
New Clause	Additional Definition	Definition of "DIC" should be incorporated in the draft DSM Regulation, 2024.	Definition of "DICs is missing in the Draft Regulation, 2024.


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Clause No.	As per Draft Regulation	Amendment proposed	Reason
8/ (1) (II) – (iii) & 8/ (1) (III) – (ii) & 8/ (7) (IV) – (iii)	<p>(II) For Deviation up to [10% DGS or 100 MW, whichever is less] and f outside f_{band}</p> <p>(iii) @ 85 % of RR when [$f > 50.05$ Hz]</p> <p>&</p> <p>(III) For Deviation beyond [10% DGS or 100 MW, whichever is less] and f within and outside f_{band}</p> <p>(ii) Such seller shall pay @ RR when [$f \geq 50.00$ Hz];</p> <p>&</p> <p>(IV) For VLB (3) and f within and outside f_{band}</p> <p>(iii) @ 110% of NR when [$f \geq 50.00$ Hz].</p>	<p>(II) For Deviation up to [10% DGS or 100 MW, whichever is less] and f outside f_{band}</p> <p>(iii) @ 85 % of RR when [$f > 50.05$ Hz > 50.10 Hz], @Zero when, [$f \geq 50.10$ Hz]</p> <p>&</p> <p>(III) For Deviation beyond [10% DGS or 100 MW, whichever is less] and f within and outside f_{band}</p> <p>(ii) Such seller shall pay @ RR when [$f \geq 50.00$ Hz > 50.10 Hz], @Zero when, [$f \geq 50.10$ Hz];</p> <p>&</p> <p>(IV) For VLB (3) and f within and outside f_{band}</p> <p>(iii) @ 110% of NR when [$f \geq 50.00$ Hz > 50.10 Hz], @Zero when, [$f \geq 50.10$ Hz]</p>	<p>During upward trend of frequency from 50.10 Hz any deviation irrespective of source, which causes over drawl of power from the Grid should be encouraged with commercial incentive with a view to arrest further frequency rise. But as per the draft, both buyers and sellers/Generators have been discouraged for over drawl/Under-Injection with penalty of 110% (Buyer)/100% (General Seller/Generator) of Deviation charge. This concept will rise the technical contradiction in Grid stability aspect. Hence, this clause is requested to be reviewed by Hon'ble Commission in light of technical prudence.</p>


 24/05/24
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