

In this context, it is submitted as under:

Hon'ble CERC has issued draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024. Hon'ble CERC vide order dated 30.04.2024 has asked the stakeholders and interested persons to offer comments/ suggestions/ objections on or before 3<sup>rd</sup> June, 2024.

HPSEBL's comments/suggestions regarding the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 are outlined below:

1. In the draft regulations price ceiling on Normal Rate of Charges for Deviation for a time block has been removed. This removal of ceiling on Normal Price may lead to unexpectedly higher charges on DISCOMs which may further increase the burden on consumers. *HPSEBL, therefore humbly requests Hon'ble CERC to introduce ceiling on Normal rate as per earlier Regulations.*
2. Significant loss to States in case of inadvertent deviation from the drawl schedule: In the range of frequency 50.00Hz to 49.90Hz, the buyer will bear significant loss in case of inadvertent deviation from the drawl schedule. In case of under-drawl buyer will receive 85% of NR to 95% of NR, whereas in case of over-drawl buyer have to pay 100% of NR to 150% of NR. There is no frequency range, where the buyer will receive amount equal to 100% of NR on account of under-drawl. *HPSEBL, therefore humbly requests Hon'ble CERC to consider removal of above difficulties to avoid significant loss to States as above.*
3. For the frequency range 50.05 Hz to 50.10 Hz, in case of over-drawl the buyer shall pay amount equal to 50% of NR. However, earlier it was zero. There is a significant decrease in the incentive for providing grid support by way of Over-drawl or under-drawl for approximately all frequencies. *HPSEBL, therefore humbly requests Hon'ble CERC to consider removal of above difficulties to avoid significant loss to States as above.*
4. Further, a new clause of penalty of 10% of NR has been introduced in case of under-drawl at 50.10 Hz or more. Earlier it was zero. In case of sudden load loss, the States are sometimes left with no other option but to back down their generation. However, in case of States like Himachal Pradesh, there is a very little scope of generation back down especially during peak generation scenario. During peak generation period HP will have to back down its hydro generation to counter the sudden load loss by spilling water, which otherwise is nations loss. *HPSEBL, therefore humbly requests Hon'ble CERC to consider above aspect and kindly remove the imposition of penalty as above.*
5. Further, under various regulations issued by Hon'ble CERC, Hydro Generating Stations have also been considered as Renewable Energy Source. It is pertinent to mention here that hydro generation contributes approx. 90% of contracted capacity of HPSEBL. *It is, therefore, prayed that under Renewable Rich State/ Renewable Super Rich State categories defined in the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters)*

*Regulations, 2024, hydro capacity may also be considered as renewable source along with solar and wind capacity.*

6. In addition to above comments, HPSEBL, further proposes amendment of clause 8 (7) in the draft regulation as under:

<b>Note: Volume limit for Buyer:</b>	
<b>As per Draft regulation</b>	
Buyer (with a schedule up to 400 MW)	$VL_B (1) = \text{Deviation [ beyond } 20\% D_{Buy} \text{ or } 40 \text{ MW, whichever is less]}$ $VL_B (2) = \text{Deviation beyond [beyond } 20\% D_{Buy} \text{ or } 80 \text{ MW, whichever is less]}$
<b>Proposed by HPSEBL</b>	
Buyer (with a schedule up to 400 MW)	$VL_B (1) = \text{Deviation [ beyond } 20\% D_{Buy} \text{ or } 40 \text{ MW, whichever is less}}$ $VL_B (2) = \text{Deviation beyond [beyond } 20\% D_{Buy} \text{ or } 80 \text{ MW, whichever is less}}$