



ଗ୍ରିଡକୋ ଲିମିଟେଡ୍ GRIDCO Limited

(A Govt. of Odisha Undertaking)

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CIN: U40109OR1995SGC003960

Through E-mail

Uol No. 929

Dated 05.06.2024

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

**Sub: Views of GRIDCO Ltd. on the Draft Central Electricity Regulatory Commission
(Deviation Settlement Mechanism and Related Matters) Regulations, 2024**

Sir,

Please find enclosed herewith, the views of GRIDCO on the above said subject for further action at your end.

Yours faithfully,

Encl: As above

Mhsalw
05/06/2024

Sr. General Manager (Trading & BS)

CC to:

- i) Director (T&BD) for kind information.
- ii) CGM (PP) for kind information.
- iii) EA to MD, GRIDCO for kind information.

View of GRIDCO on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024

Central Electricity Regulatory Commission has prepared the Draft CERC (Deviation Settlement Mechanism & Regulated Matters) Regulations, 2024 and is inviting comments/ suggestions/ objections from the stakeholders & interested persons on the provisions of the said draft Regulation.

Accordingly the views of GRIDCO regarding the Draft CERC (Deviation Settlement Mechanism & Regulated Matters) Regulations, 2024 are mentioned below:

- With respect to the DSM pricing methodology proposed in the draft regulations, it is observed that a Buyer shall be charged Overdrawl penalty even when the frequency is between 50.05 Hz to 50.10 Hz. However, in the aforesaid frequency range, overdrawl may be encouraged to bring the frequency down to the defined frequency band, i.e. 49.90 Hz to 50.00 Hz. Hence, it is requested to incorporate necessary changes to permit Overdrawl @Rs. 0/ kWh in the frequency >50.05 Hz.
- Further, in case VL_B(2) & VL_B(3), flat rate of 150% & 200% of NR is being levied for overdrawing power at frequency ≤ 50.00 Hz instead of the incremental rate as considered in VL_B(1) for the frequency range between 49.90 Hz to 50.00 Hz. Considering the defined frequency band of 49.90 Hz to 50.05 Hz, the flat rate in VL_B(2) & VL_B(3) seems to be highly stringent. Therefore, it is requested to consider the following pricing for deviation by way of OD (Payable by the Buyer) in VL_B(2) & VL_B(3) at frequency ≤ 50.00 Hz:

For VL_B(2):

- @ 125% of NR when $f = 50.00$ Hz;
- When $49.90 \leq f < 50.00$ Hz, for every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 2.5% of NR so that charges for deviation become 150% of NR when $f = 49.90$ Hz;

For VL_B(3):

- @ 150% of NR when $f = 50.00$ Hz;
- When $49.90 \leq f < 50.00$ Hz, for every decrease in f by 0.01 Hz, charges for deviation for such buyer shall be increased by 5% of NR so that charges for deviation become 200% of NR when $f = 49.90$ Hz;
