



Grid Controller of India Limited
(A Govt. of India Enterprise)
(Formerly Power System Operation Corporation Limited)

The suggestions on behalf of Regional Load Despatch Centres(RLDCs) and National Load Despatch Centre(NLDC) on Draft CERC Deviation Settlement Mechanism Regulations, 2024

Deviation settlement i.e. imbalance handling is one of the four essential pillars of market design; the other three being scheduling & despatch, ancillary services and congestion management. The Central Electricity Regulatory Commission (CERC) notified the Deviation Settlement Mechanism (DSM) Regulations in 2014 (DSM Regulations 2014) followed by an amendment in 2016 (DSM Regulations Amendment 2016), with the objective of ensuring grid discipline for the grid-connected entities. These Regulations were essentially linked with the frequency and volume limits in certain cases.

CERC subsequently issued the DSM Regulations in March 2022 (DSM Regulations 2022) which came into effect on 05 December 2022. The DSM Regulations 2022 envisaged that all grid-connected entities shall adhere to their schedules and inadvertent deviation, if any, shall be managed by the system operator through ancillary services. DSM charges were delinked from frequency as it was felt that the existence of both the centralised mode of frequency regulation through Ancillary Services and the decentralised mode of controlling frequency through frequency-linked DSM, may likely turnout to be counter-intuitive in real-time

After the DSM Regulations 2022 came into effect, it was observed that while the number of frequency excursions decreased, frequency fluctuations outside the operative band increased significantly (by almost 20%). Both primary and secondary response seemed inadequate in the face of wide excursions in frequency. In the wake of this operational experience, the Commission notified an intervening Order on 26 December 2022 vide Suo-motu Petition No. 16/SM/2022, stipulating inter-alia certain regulatory measures to contain frequency within the operating band and reduce wide frequency fluctuations. Based on further feedback and consultation, the Commission issued directions vide its Suo Motu Order 01/SM/2023 dated 06 February 2023 as an interim measure, to ensure smooth and secure grid operations.

To address the inadequate performance of both primary and secondary response mechanisms and review the provisions of DSM Regulation, the Commission formed a high-level committee of experts tasked with conducting a thorough analysis of the performance of grid-connected buyers and sellers. The draft CERC DSM Regulations-2024 has largely incorporated the recommendations of the high-level committee of experts (Report - <https://cercind.gov.in/2024/reports/DSM-Expert-Committee-Report-Final-with-Appendix.pdf>).

Grid-India's suggestions on behalf of Regional Load Despatch Centres(RLDCs) and National Load Despatch Centre(NLDC) on Draft CERC DSM Regulations, 2024 are as follows.

1. Uniformity in the settlement cycle of different pool accounts:

Currently different regulatory charges such as deviation, ancillary services (i.e. SRAS & TRAS), reactive energy charge and congestion charge are collected across different settlement cycles. Same has been tabulated below.

SI no	Charge type	Receivable day from the date of issue of account.	Provision in
1	Deviation Charge	Within 7 days (7th day from the day of issues of statement)	DSM regulation
2a	Ancillary services (SRAS)	18.12 - In case of SRAS Provider to pay back to respective DAS Pool Account on net basis, then, concerned SRAS provider shall pay back within 10 (ten) days of the issue of statement of SRAS Account by the concerned RPC. 18.13 - If payments to the SRAS Provider are delayed beyond Fifteen (15) days from the date of issue of the statement by the respective RPC, the SRAS Provider shall be paid simple interest @ 0.04% for each day of delay. 18.14 - If payments by the SRAS Provider are delayed beyond ten (10) days from the date of issue of the statement by the Secretariat of the respective Regional Power Committee, the defaulting SRAS Provider shall pay simple interest @ 0.04% for each day of delay.	SRAS Procedure
2b	Ancillary services (TRAS)	20.7 - The payments by the TRAS Provider for TRAS-Down shall be made within seven (07) days from the date of issue of the statement by the RPC. If payments by the TRAS Provider for TRAS-Down are delayed beyond seven (07) days from the date of issue of the statement by the RPC, the TRAS Provider shall pay simple interest @ 0.04% for each day of delay from 08th day 20.8 - The payments to the TRAS Provider for TRAS-Up shall be made within twelve (12) days from the date of issue of the statement by the RPC. If payments to the TRAS Provider for TRAS-Up are delayed beyond twelve (12) days from the date of issue of the statement by the RPC, the TRAS Provider shall be paid simple interest @ 0.04% for each day of delay from 13th day	TRAS Procedure
3	Reactive energy exchanges	The concerned regional entities shall pay the amounts into regional Pool Account operated by the RLDC within 10 (ten) days of issue of statement. (c) The regional entities who have to receive the money on account of VAR charges would then be paid out from the regional Pool Account, within two (2) working days from the receipt of payment in the Pool Account. (d) If payments against the above VAR charges are delayed by more than two days, i.e., beyond twelve (12) days from issue of the statement by RPC Secretariat, the defaulting regional entity shall pay simple interest @ 0.04% for each day of delay. The	IEGC ANNEXURE – 4 SI no 2

SI no	Charge type	Receivable day from the date of issue of account.	Provision in
		interest so collected shall be paid to the regional entities who had to receive the amount, payment of which got delayed	
4	Congestion charge	10. Payment to Congestion Charge Account. The Regional Entity liable to pay congestion charge shall deposit the amount in Congestion Charge Account within 10 days of issue of statement by the Regional Power Committee Secretariat: Provided that when payment of congestion charge is delayed beyond two days from due date, that is to say, beyond twelve days of the issue of statement by the Regional Power Committee Secretariat, the Regional entity responsible for delay in depositing congestion charge amount shall be liable to pay interest at the rate of 0.04% per day.	Measures to relieve congestion in real time operation Regulations, 2009

The definition given in IEGC 2023 for 'Pool Account' is "... Deviation and Ancillary Service Pool Account as defined in the DSM Regulations, where the following transactions shall be accounted:

- I. deviations and ancillary services
- II. reactive energy exchanges
- III. congestion charge"

With the implementation of IEGC 2023, all the different accounts are merged into a single bank account. The surplus amount under all heads is used for payment of Ancillary Services.

To have a clear picture of the net surplus available in respective regional Deviation and Ancillary Service Pool Account at any given point of time, there is a need to have a common payment cycle of all the transaction heads.

Further, there is a need to have to and fro payment to the Entities on net basis, to net off the numerous bi-directional transactions, else this would to **circular flow of money**. Honorable commission has already approved the netting of Ancillary Services payment through approval of "Detailed Procedure for Security Constrained Unit Commitment (SCUC), Unit Shut Down (USD) and Security Constrained Economic Despatch (SCED) at Regional Level" under Regulation 46(4)(i), 47(2), 46(4)(j), 46(5)(a), 46(5)(b) and 49(2)(a)(iv) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023.

Format SCUC_BB: RPC "Net Regional Shortfall/emergency and SCUC weekly Statement"

In similar lines, reactive energy exchanges and congestion charge may be clubbed together and time line of all the payment may be aligned through amendments in relevant regulation(s) or through devising "a separate procedure" for the same.

2. Provision for National Pool Account:

As per clause 8.10 of the Draft DSM Regulations, "the **charges for inter-regional deviation** caused by way of over drawal or under drawal or over injection or under-injection shall be payable or receivable, as the case may be, at the normal rate of charges for deviation."

To and fro payment is done by Regional Entities as per their deviation accounts prepared by the respective RPCs. Inter-regional deviation charges are generally circular flow of money and are notional. A sample example is given below.

A sample data for IR flow for the period 03-04-23 to 05-11-23 is given below:

WEEK	All India Pool Status			Total funds handled (Rs Cr)
	Receivable by Pool (Rs Cr)	Payable by Pool (Rs Cr)	Net Surplus in Pool (Rs Cr)	
By Beneficiaries	4226.5	2412.8	1813.7	6639.3
Due to IR	18143.4	17813.9	329.5	35957.2
Total	22369.9	20226.7	2143.2	42596.6

It is evident from the above table that significant quantum of money is flowing because of the inter-regional transactions and this also results in circular flow of money.

With the new products getting introduced through various regulations and payment are done through the respective regional Deviation and Ancillary Service Pool Account for settlement of these products. So, there is need to have simpler settlement system for faster settlement and for assessment of pool account surplus/deficit on all India basis.

Accordingly, the following methodology is proposed:

- a. DSM settlement shall be done with only regional entities & cross border entities. **Inter-Regional (IR) deviations can be computed for indicative purpose only in the RPC accounts. No physical fund transfer shall be made within regions.**
- b. **There shall be one National pool account** where the surplus from all Deviation and Ancillary Service Pool Account shall be transferred after settlement of all accounts in the concerned region on accrual basis such as Deviation, ancillary, reactive, congestion etc.
- c. NLDC based on the surplus on actual basis **shall transfer the amount to deficit regional pool accounts in proportion to their net deficit.**
- d. A **detailed procedure may be formulated** for harmonized settlement of pool accounts.

A sample illustration on Settlement through National Pool Account is attached as **Annex-1**.

3. Scheduling, Charges for Deviation and DSM Accounting in respect of an ESS (Energy Storage System) co-located with WS Seller(s):

Clause 8(6) of the Draft DSM Regulations-2024 deals with Charges for Deviation, in respect of an ESS co-located with WS Seller(s) connected at the same interconnection point. The draft mentions the following –

Quote -

- 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 standalone ESS in accordance with clause (5) of this regulation.*

Unquote.

However, the Note section of Clause - 8(6) mentions as under:

Quote -

- a) *Reference rate (RR) of such generators would be the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchange.*
- b) The DSM shall be computed based on the Net schedule, i.e., the sum of all generator schedule injecting/drawing power and net actual injection/drawal at the interconnection point**
- c) *Each generator shall be metered with SEM so that individual actual injection/drawal can be captured;*
- d) *Schedule shall be prepared separately for each type of generator. This shall help to understand the different profiles of each generator*

Unquote.

The note (b) which mentions that DSM shall be computed based on the 'Net schedule at the interconnection point' is apparently in contradiction with Clause.8.6. (i), (ii), (iii) which provides that schedules and Deviation corresponding to WS component and ESS component to be computed separately.

Hence, it is suggested that **Clause.8.6. Note(b) may be deleted** if it is envisaged to prepare separate schedules for WS and ESS component by the QCA/Lead Generator.

4. Computation of DSM for WS seller and collocated ESS not represented through QCA:

As per IEGC-2023, 'Qualified Coordinating Agency' or 'QCA' means – "... the lead generator or any authorized agency on behalf of REGS or RHGS (as per GNA Regulations) including Energy Storage Systems connected to one or more pooling station(s) for coordinating with concerned load despatch centre for scheduling, operational coordination and deviation settlement;"

IEGC-2023, provides that the regional entity renewable energy generating station(s) or Projects based on energy storage system(s) (ESS) connected at a particular ISTS substation **may appoint a QCA** on their behalf to coordinate and facilitate scheduling for such generating stations or energy storage system(s). Generators below 50 MW size are essentially required to come through a lead generator / QCA.

Thus, there is a choice for regional entity RE generating stations and ESS connected at same ISTS interconnection point either to appoint QCA/lead Generator for scheduling coordination with RLDCs or directly coordinate with RLDC for scheduling and deviation accounting.

When they choose to appoint a QCA/ Lead Generator, the later shall be responsible for coordination of scheduling and de-pooling of DSM charges amongst those REGS and ESS. If they don't appoint a QCA, RLDC will do the scheduling and Deviation accounting for generators of size 50 MW and above.

Figure-1 illustrates a regional entity REGS (A) and ESS (B) connected to ISTS point P through an intermediate pooling station. They are not represented through any QCA. Thus, RLDC will do the scheduling and compute the DSM charges. There will be cases where multiple such RE Generating Stations (each of Installed Capacity > 50 MW) are connected to ISTS Pooling Station (PS) through an Intermediate Pooling Station as shown in Fig. 1. In such cases the transmission loss of the interconnecting line (PQ) shall be computed by RLDC by using individual energy meter reading (X) at the ISTS point (P) and the meters connected on the outgoing lines from the WS seller and the ESS (Y1 and Y2):

Here the additional % loss to be applied for the section PQ = $L = [(Y1+Y2)-X]/(Y1+Y2) * 100$
%age loss computed based on (W-2)th week SEM data shall be used for scheduling in the Wth week. All scheduling shall be done at ISTS interface point (P). However, DSM accounting shall be done at intermediate point (Q). A sample example is given below for the ease of understanding:

Let's say the WS Seller gives an injection schedule of 100 MW at P
ESS gives a drawal schedule of 100 MW at ISTS point P
And the computed % loss for PQ is 1% for (W-2)th week

Scheduled power to be injected by WS at $Q = 101$ MW
 Actual power injected & recorded at Q (SEM Y1)= 105 MW (say)
 Deviation for WS seller = $105-101 = 4$ MW (over injection)

Scheduled power to be drawn by ESS at $Q = 99$ MW
 Actual power drawal recorded at Q2 (SEM Y2) = 98 MW (say)
 Deviation for ESS = $98-99 = -1$ (under drawal)

The deviation charges for WS seller shall be computed as per cl.8(4). and deviation charges for ESS shall be as per cl 8(6) of the draft DSM Regulations 2024. If they appoint a QCA, it will also follow the same methodology for submission of schedules to RLDC and computation of DSM charges.

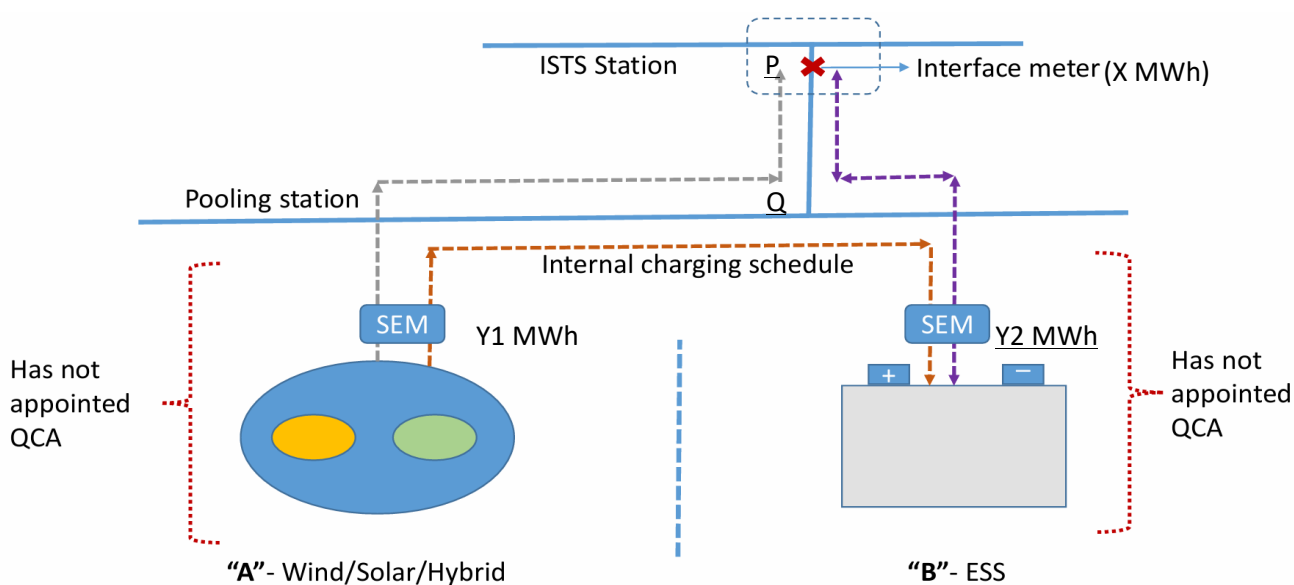


Figure 1: **DSM computation for collocated WS and ESS without QCA**

If the above ESS schedules charging power from the WS Seller, being collocated, no transmission loss will be applicable on such transactions and the actual meter reading (Y2) at the ESS will be considered for DSM accounting. If the ESS schedules charging power from any other source, then applicable ISTS loss as well as the loss of interconnecting system (PQ) will be applicable on such transaction.

It is submitted that to have better clarity the Hon'ble Commission may consider incorporating the above case as an illustration for scheduling and deviation settlement in case of collocated WS seller and ESS without having any QCA.

Further, it is submitted that the Hon'ble Commission may allow Grid-India to incorporate such illustrative cases for DSM computation for WS sellers and/or Solar plants collocated with ESS in the '*Procedure for aggregation of pooling station for the purpose of combined scheduling and deviation settlement through Qualified Co-ordinating Agency (QCA) for wind or solar or renewable hybrid generating stations*' being prepared as per Regulation 45(11)(b) of the IEGC-2023. These are being submitted separately.

5. In Point No. (III) "**For VLB (2) and f within and outside f band**" of table in Clause 8.7, pertaining to Charges for Deviation, in respect of Buyer, 50Hz is covered at both sl.(iii) as well as sl.(iv). Thereby causing 2 rates at 50.0 Hz i.e. @ 150% and @NR. Hence the "(iv) @ NR when **[50.00 Hz ≤ f ≤ 50.05 Hz];**" in sl (iv) may be modified as "(iv) @ NR when **[50.00 Hz < f ≤ 50.05 Hz];**"
6. In case of hybrid of Wind-Solar, if a hybrid plant initially commissions wind component (pending commissioning of Solar plant), suitable provision may be added to treat it as wind sources until such time the plant commissions the other component.
7. It is noted that the single PPA itself have different rates for different point of time in the day e.g. in Peak power contracts, different rate for peak and off-peak hours. Further the rate is adjusted based on the penalty and incentive on monthly basis. Determining the contract rate under DSM regulations depends on the PPA rates. Hence suitable guideline may be provided for computation of Contract Rate in such cases preferably under clause 3(j).
8. Suitable provision may be made in the regulation for computing the rate for charges of deviation for the sellers who are having part capacity tied-up with contracts (PPA) and balance part being sold as merchant capacity. It is felt that current definition of contract rate does not cover such sellers.

9. Additional Comments/Suggestions:

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 3.1.e	Ancillary Services Regulations' means the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations, 2015 , as amended from time to time and shall include any re-enactment thereof;	May be re-phrased as – " Ancillary Services Regulations' means the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations, 2022 , as amended from time to time and shall include any re-enactment thereof;"
Para 3.1.S	'Open Access Regulations' means the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 , as amended from time to time and shall include any re-enactment thereof;	May be re-phrased as – 'Open Access Regulations' means the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2023 , as amended from time to time and shall include any re-enactment thereof;
Para 3.1.x	'Reference Charge Rate' or 'RR' means (i) in respect of 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;	May be re-phrased as – " 'Reference Charge Rate' or 'RR' means (i) in respect of a general seller whose tariff is determined under Section 62 or Section 63 or section 86(1)b 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 Integrated Day Ahead Market segments of all the Power Exchanges, as the case may be;
Para 3.1.y	(y) Run-of-River Generating Station' or 'RoR generating station' means a hydro generating station which does not have upstream pondage; 'Scheduled generation' or 'Scheduled injection' for a time block or any.....	May be re-phrased as – (y) Run-of-River Generating Station' or 'RoR generating station' means a hydro generating station which does not have upstream pondage; (z) 'Scheduled generation' or 'Scheduled injection' for a time block or any.....
Para 6.2	Deviation in a time block for WS sellers shall be computed as follows: Deviation-WS seller (DWS) (in %) = 100 x [(Actual Injection in MWh) – (Scheduled	Since capacity of wind turbine & Solar Inverter is in MW. Thus the available capacity needs to be covered into MWh for computation of Deviation-WS seller (DWS) (in %). Further, in the definition of AVC, the word

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
	generation in MWh) / [(Available Capacity)]	"capable" is used. A WS seller is allowed to schedule it's infirm power prior to COD. However, prior to Trial Run , one cannot ascertain that how much capacity is capable for generating power. Therefore, the denominator should be replaced by "Scheduled Power" instead of "AVC" especially for the WS which schedule infirm power through short term market prior to COD declaration
Para 7.1	<p>(a) 1/3 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges];</p> <p>(b)1/3 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and</p> <p>(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].</p>	<p>ACP of DAM, GDAM, HPDAM are different in a single exchange. Hence to arrive at IDAM the weighted average rate of DAM, GDAM and HPDAM have to be calculated. This has to be mentioned in the regulation.</p> <p>There is only one segment in RTM.</p> <p>May be re-phrased as – Ancillary Service Charge (in paise/kWh) computed based on the net quantum of Ancillary Services deployed and the net charges payable to the Ancillary Service Providers for all the Regions.</p> <p>It is proposed to designate NLDC (National Load Despatch Centre) as Nodal Agency for Notification of Normal Rate (NR), as defined/required for calculation of DSM Charges.</p> <p>There is need for clarity on how Normal rate of charge shall be computed bid area wise. The Normal rate of charge shall be applicable based on the bid area where the entity is configured.</p> <p>Further Nodal agency for declaring the NR may also be mentioned in the regulation and the time line of declaration:</p> <p><i>"By every Saturday, Nodal agency shall declare NR in their website for the previous week ending on Sunday midnight."</i></p> <p>Further, NLDC may be advised for preparation of Procedure (with approval of</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
		<i>the Hon'ble commission) for Calculation of NR charges for DSM.</i>
Para 7.1.c Provided further that in case of non-availability of ACP for any time block on a given day, ACP for the corresponding time block of the last available day shall be considered	<p>Proposed changes:</p> <p>7.1.c..... Provided further that in case of non-availability of ACP for any time block on a given day,</p> <p>a) <i>All India ACP for the corresponding time block shall be considered.</i></p> <p>b) <i>If All India ACP is not available for the corresponding time block the last available All India ACP shall be considered.</i></p> <p>Rationale: This proposed methodology is same as existing. Issues have been faced in existing methodology when for many days there are no ACP for that area for a particular block. Example is N3 whose ACP is totally dependent on Punjab. As we are moving towards configuring more bid areas, we may start facing such issues in multiple bid areas especially during off peak hours or solar hours. Further checking back for last available ACP for that time block we use to get those details 3 to 4 month back which may not reflect true picture of ACP and may lead to incorrect rate declaration.</p>
Para 7.2	The normal rate of charges for deviation shall be rounded off to the nearest two decimal places.	The Reference Rate (RR) rounding is not mentioned unlike Normal Rate. It needs to be mentioned clearly. This would be more significant in the case of a weighted average calculation.
Para 8.6 (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	<p>May be re-phrased as –</p> <p>Deviation corresponding to WS component shall be charged at the same rates as applicable for WS Seller being a generating station based on wind or solar or hybrid of wind-solar resource</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 8.6 (iii) TABLE	Deviation by way of under injection (Payable by the lead generator)	For under generation up to 5%, DSM payable by Lead generator is Zero which should be modified as – "Any under-injection shall be payable as per RR up to 5%". As under-injection by lead generator should not be free as the generator is getting full charges as per schedule in REA and also to be at par with over-injection deviation charges for same limit.
Para 8.6 Note (a)	Reference rate (RR) of such generators would be the daily weighted average ACP of the Day Ahead Market segments of all the Power Exchange	May be re-phrased as – Reference rate (RR) of such generators would be the daily weighted average ACP of the Integrated Day Ahead Market segments of all the Power Exchange
Para 8.7 (i)	For VLB (1) and f within f-band (i) @ 85% of NR NR when f =50.00 Hz	NR has been mentioned twice. It seems to be a typographical error. Same may be re-phrased as – For VLB (1) and f within f band (i) @ 85% of NR when f =50.00 Hz
Para 8.7 Volume limit for Buyer	For "Buyer (with a schedule up to 400 MW)", VLB (2) = "Deviation beyond [20% DBUY or 80 MW , whichever is less]"	May be re-phrased as – For "Buyer (with a schedule up to 400 MW)", VLB (2) = "Deviation beyond [20% DBUY or 40 MW , whichever is less]"
Para 8.8	The charges for deviation for injection of infirm power shall be zero: Provided that upon such infirm power being scheduled, the charges for deviation for such power shall be as applicable for a general seller or WS seller , as the case may be.	Suitable provision for the charges of deviation for hybrid plant with ESS during scheduling of infirm power may be added. It is proposed to modify the sentence as "The charges for deviation for injection of infirm power shall be zero: Provided that upon such infirm power being scheduled, the charges for deviation for such power shall be as applicable for a general seller . Rationale -Presently many WS seller is not doing trail run and COD within stipulated time. This may further delay the process of trail run and COD

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 8.9	The charges for deviation for drawal of start-up power before the COD of a generating unit or for drawal of power to run the auxiliaries during the shut-down of a generating station shall be payable at the reference charge rate or contract rate or in the absence of reference charge rate or contract rate, the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be.	It is proposed to modify the sentence as ",the weighted average ACP of the Integrated Day Ahead Market segments of all Power Exchanges for the respective time block, as the case may be. Further, the above clause appears to focus solely on charges for unscheduled start-up power deviation. However, if start-up power is scheduled, both overdrawal and underdrawal scenarios may arise. In such instances, the charges for deviation for such power shall be applicable as they would be for a buyer.
Para 8.11	The charges for deviation in respect of cross-border transactions caused by way of over drawal or under drawal or over injection or under-injection shall be payable or receivable at the deviation charge rates and subject to volume limits as applicable to a seller (of the respective category) or to a buyer (other than a RE-rich State or a Super RE-rich State), as the case may be.	For cross-border transactions SNA has been identified. Hence, the neighbouring cross border countries may be treated like a 'state' & may fall under the ' buyer ' category.
Para 8.12	Notwithstanding anything contained in Clauses (1) to (5) of this Regulation, in case of forced outage of a seller , the charges for deviation shall be @ the reference charge rate for a maximum duration of eight time blocks or until the revision of its schedule, whichever is earlier.	Clarification of rate of deviation charges applicable after 8 blocks if the generator fails to revise the schedule
Para 8.13	In case of multiple contracts, the contract rate or the reference rate referred to in this Regulation shall be the weighted average of the contract rates of all such contracts.	May be re-phrased as – It is proposed to modify the sentence as: In case of multiple contracts, the contract rate or the reference rate referred to in this Regulation shall be the weighted average of the contract rates of all such contracts. Provided that in case of scheduling of both Firm (after COD) & Infirm Power (prior to COD) by a seller from the different part

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
		<p>capacities of the plant, the reference rate shall be weighted average of contract(s) for the capacity that has achieved COD and the daily weighted average ACP of the I-DAM of all the Power Exchanges for the infirm power scheduled from the capacity that has not achieved the COD.</p>
<p>Para 8.14</p>	<p>For a Seller whose bids are cleared in the HP-DAM, the 'reference charge rate' for deviation by way of 'under-injection' for the quantum of power sold through HP- DAM shall be equal to the weighted average ACP of the HP-DAM Market segments of all the Power Exchanges for that time block;</p>	<p>Since there is only one segment in HPDAM. Therefore, it is proposed to modify the sentence as ".....power sold through HP- DAM shall be equal to the weighted average ACP of the HP-DAM Market segment of all the Power Exchanges for that time block:"</p>
<p>Para 8.15</p>	<p>In case of a State having net injection at the regional periphery, the deviation charges for such State shall be as applicable to a buyer.</p>	<p>Similar clarity may be provided for the generators in case they have drawal schedule from the grid.</p>
<p>Para 9.2</p>	<p>After receiving the data for deviation from the Regional Load Despatch Centre, the Secretariat of the Regional Power Committee shall prepare and issue the statement of charges for deviation prepared for the previous week to all regional entities by ensuing Tuesday:</p>	<p>May be re-phrased as – "After receiving the data for deviation, reactive, congestion, ancillary services from the Regional Load Despatch Centre, the Secretariat of the Regional Power Committee shall prepare and issue a statement of weekly charges containing separate charges for:</p> <ol style="list-style-type: none"> 1.Charges for Deviation, 2. Net Congestion & Reactive charges (to be computed on net basis for all regional entities) 3. SRAS & TRAS (in line with SCUC procedure) to all regional entities by ensuing Tuesday <p>Further it is proposed to add the sentence - "RPC shall prepare and publish the interest statement of all regulatory pool account issued by RPCs on Quarterly basis, based on the data provided by the respective RLDC(s)." as a clause after clause 9.2</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 9.3	Separate books of accounts shall be maintained for the principal component and interest component of charges for deviation by the Secretariat of the Regional Power Committees.	<p>May be re-phrased as – "Separate books of accounts shall be maintained for the principal of Deviation charges, Reactive Charges, Congestion Charges, SRAS and TRAS component and interest component of charges for deviation Reactive Charges, Congestion Charges, SRAS and TRAS by the Secretariat of the Regional Power Committees."</p>
Para 9.5	The Deviation and Ancillary Service Pool Account shall receive credit for: (a) payments on account of charges for deviation referred to in Regulation 8 of these regulations and the late payment surcharge as referred to in Regulation 10 of these regulations;	<p>May be re-phrased as – The Deviation and Ancillary Service Pool Account shall receive credit for: (a) payments on account of charges for deviation referred to in Regulation 8 of these regulations and the late payment surcharge as referred to in Regulation 10 of these regulations; (b) Payments on account of congestion charges (c) Payments on account of reactive energy charges</p> <p>Rationale: In line with IEGC 2023 "Pool Account" means Deviation and Ancillary Service Pool Account as defined in the DSM Regulations, where the following transactions shall be accounted:i. deviations and ancillary servicesii. reactive energy exchangesiii. congestion charge.</p>
Para 9.5	The Deviation and Ancillary Service Pool Account shall receive credit for: (a) (b) payments made by: (i)SRAS Provider for the SRAS-Down despatched under the Ancillary Services Regulations; (ii)TRAS Provider for the TRAS-Down despatched under the Ancillary Services Regulations; and (iii)such other charges as may be notified by the Commission.	<p>May be re-phrased as – The Deviation and Ancillary Service Pool Account shall receive credit for: (a) (b) payments made by: (i)SRAS Provider for the SRAS-Down despatched under the Ancillary Services Regulations; (ii)TRAS Provider for the TRAS-Down despatched under the Ancillary Services Regulations; and (iii) Payments on account of SCUC, Black Start (iv)such other charges as may be notified by the Commission.</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 9.5(1)	(5) The Deviation and Ancillary Service Pool Account shall receive credit for: 1..... 2..... 3. such other charges as may be notified by the Commission.	Commission has notified other charges in IEGC 2023. So the same may be clearly brought the same in this draft regulation in 9(5) & 9(6).
Para 9.6	Deviation and Ancillary Service Pool Account shall be charged for: (a)..... (b)..... (c)..... (d).....	May be re-phrased as – Deviation and Ancillary Service Pool Account shall be charged for: (a) (b) (c) Payments on account of congestion charges (d) Payments on account of reactive energy charges (e)..... (f) (g) Payments on account of SCUC, Black Start Rationale: In line with IEGC 2023 “Pool Account” means Deviation and Ancillary Service Pool Account as defined in the DSM Regulations, where the following transactions shall be accounted: i. deviations and ancillary services ii. reactive energy exchanges iii. congestion charge.
Para 9.7Provided 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 from 01.04.2025, in the ratio of the shortfall of reserves allocated by	In this clause more clarification is solicited on following aspects: 1. Recovery cycle (monthly or quarterly) considering the pool deficit scenario for all regions across the country. 2. For the term ‘drawl’ should we consider ‘scheduled drawl’ or ‘actual drawl’ 3. Whether RPC would be responsible for declaration of amount to be recovered from drawee DICs in case of pool deficit scenario. 5. Timeline for payment by the drawee DICs and its sub-sequent late payment surcharges. 7. Whether DICs having injection schedule in a day shall be considered for recovery of pool deficit charge.

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
	<p>NLDC to such DICs in accordance with the <i>detailed procedure to be issued in this regard by the NLDC with the approval of the Commission.</i></p>	<p>Further, for the period from the date of effect of these regulations till 31.03.2025, the deficit amount in the pool account shall be recovered from drawee DICs, in the ratio of [50% in proportion to their drawal at the regional periphery] and [50% in proportion to their GNA].</p> <p>The drawee DICs include the intra state buyers like Central Railway Maharashtra (intra state entity of Maharashtra), MPSEZ Utilities Ltd., Mundra (intra state entity of Gujarat) etc. who has been granted GNA as per GNA Regulations. further, the deviation mechanism at interstate level is applicable only for regional entities where as in the draft DSM 2024, the recovery of deficit amount is proposed to recover from all the drawee DICs which include intra state entities which may not be justifiable.</p> <p>As deviation accounting at interstate level is being done only for Regional Entities, so the intra state entities which are drawee DICs needs to be excluded. GNA quantum of these intra state drawee DICs may be added to State's GNA for this purpose.</p> <p>Therefore, it is proposed that the recovery of deficit amount shall be done from Regional Entities (Buyers), in the ratio of [50% in proportion to their drawal at the regional periphery] and [50% in proportion to their GNA which includes the GNA of drawee DICs located in the state]. NLDC may be mandated to prepare detailed procedure (with prior approval of the Hon'ble Commission) for outlining the modalities for recovery of shortfall charges as mentioned in Para 9.7 of the regulation.</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
Para 10	<p>Schedule of Payment of charges for deviation:(1) The payment of charges for deviation shall have a high priority, and the concerned regional entity shall pay the due amounts within 7 (seven) days of the issue of the statement of charges for deviation by the Regional Power Committee, failing which late payment surcharge @ 0.04% shall be payable for each day of delay. (2) Any regional entity which at any time during the previous financial year fails to make payment of charges for deviation within the time specified in these regulations shall be required to open a Letter of Credit (LC) equal to 110% of their average payable weekly liability for deviations in the previous financial year in favour of the concerned Regional Load Despatch Centre within a fortnight from the start of the current financial year. (3) In case of failure to pay into the Deviation and Ancillary Service Pool Account within 7 (seven) days from the date of issue of the statement of charges for deviation, the Regional Load Despatch Centre shall be entitled to encash the LC of the concerned regional entity to the extent of the default and the concerned regional entity shall recoup the LC amount within 3 days.</p>	<p>Since the repeal of Open Access Regulations, no provision of Clause 25 A is available. Few states are persistent defaulters, and no regulatory tool is available for strict clearance of DSM O/S.</p> <p>Hence, it is proposed to add the sentence "Concerned RLDC shall make the Payments to all the entities receivable from the Pool within 2 working days after the due date of receipt of payments in the Deviation and Ancillary Service Pool account" as a clause after clause 10.1.</p> <p>It is proposed to add the sentence "In case of default in payment for more than one month or non-maintenance of LC, RLDC may regulate the scheduling of power supply to the defaulting regional entity as per Regulation 11 of these regulations" as a clause after clause 10.2.</p> <p>In compliance of direction of CERC in Petition No.28/MP/2022, it is proposed below clauses in the regulation:</p> <p>Regulation of access to defaulting entities:</p> <p>In case of non-payment of dues for more than one month after the due date, by the regional entity or in case of non-maintenance of LC, the scheduling of supply of electricity to the defaulting entity shall be regulated as follows:</p> <p>(a) Defaulting entity is liable to be debarred from obtaining access for sale and purchase of electricity through Power Exchange(s) or through short-term contracts.</p> <p>Provided that the curtailment shall also be applicable on any existing access for sale and purchase of electricity through Power Exchange(s) or through short term contracts.</p> <p>(b) If the dues remain unpaid even one month after the commencement of regulation, apart</p>

Para No.	Proposed draft Regulation	Comments/Suggestions on the draft Regulation
		<p>from the regulation of short-term contracts and power exchange in its entirety, access for sale and purchase of electricity through contracts other than the short-term contracts shall be regulated by ten per cent (10%),</p> <p>(c) Reduction or withdrawal in access for sale and purchase of electricity from contracts other than short-term contracts shall be in such a manner that the quantum of reduction in drawl or injection schedule increases progressively by ten per cent (10%) for each month of default.</p> <p>(d) On payment of outstanding dues, the regulation on scheduling of power supply shall cease to operate and scheduling shall be restored at the earliest, but not later than one days excluding the day on which payment is made.</p> <p>(e) The NLDC/RLDCs under exceptional circumstances for grid security requirements, may temporarily review the regulation of access under the LPSC Rules 2022 and it shall record the reasons for doing so, in writing.</p> <p>Further, there is no provision of opening of LC for new Pool members in the financial year as this new pool member average payable weekly liability for deviations in the previous financial year is not available so practically it is not possible to open LC for this new entity if it defaults in current year. A sub clause may be added as (For the new regional entity, the Letter of Credit (LC) shall be 110% of the maximum weekly liability for deviations in the current financial year) The same shall be opened on first default. In the event of non-maintenance of the Letter of Credit (LC) or delay in payment of weekly DSM beyond 28 days from due date, provision similar to LPS may be added at the end.</p>

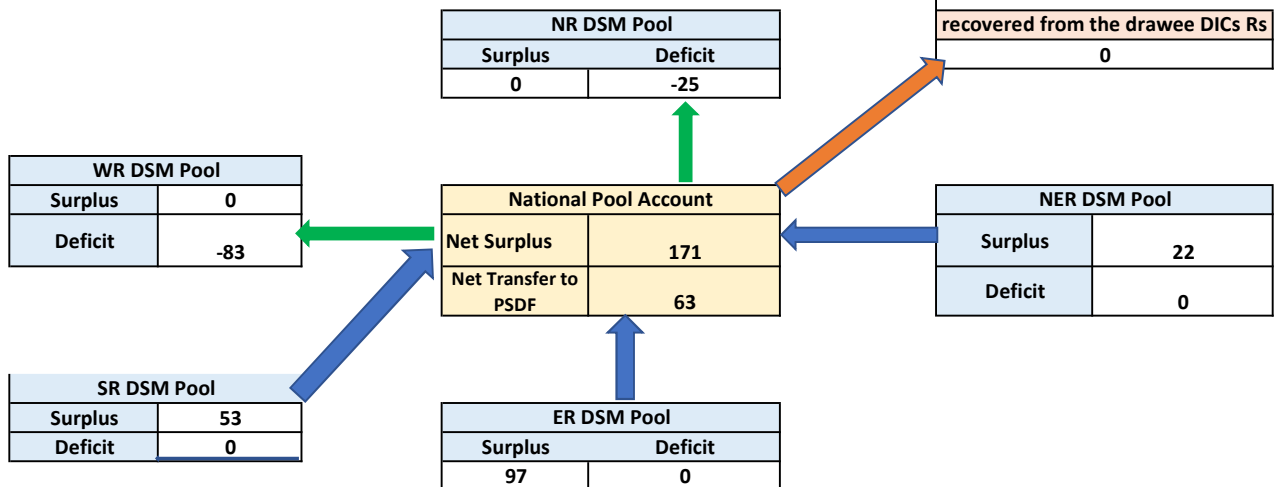
National Pool Account Sample week

A. Current Process for settlement of DSM, Ancillary

Inter-Region						(Rs Lakhs)
From ↓/ To →	ER	WR	NR	SR	NER	
ER		15,757	-8,916	-10,474		6,589
WR	-15,757	-	6,183	9,007		
NR	8,916	-6,183				-5,939
SR	10,474	-9,007				
NER	-6,589		5,939			
Total	-2,955	567	3,206	-1,467		650
Net All India Inter-Regional						-0

Region	DSM Surplus (+)/ Deficit (-) (A) (Rs Cr)	Ancillary Charges paid from DSM Pool a/c (B) (RsCr)	Ancillary Charges received in DSM Pool a/c (C) (Rs Cr)	AGC Net Charges paid from DSM Pool a/c (D) (Rs Cr)	SCUC Net Charges paid from DSM Pool a/c (D) (Rs Cr)	Net Surplus (+)/ Deficit (-) (A-B+C-D) (Rs Cr)	Inter-Pool transfer required (Yes/No)
ER	58	2	-	-70	30	97	NO
WR	58	300	89	-90	20	-83	YES
NR	48	150	58	-60	40	-25	YES
SR	52	4	-	-15	10	53	NO
NER	5	0	1	-21	5	22	NO
Total	221	456	147	-256		63	NO

B. Settlement through National Poola Account



National Pool Account Sample week

A. Current Process for settlement of DSM, Ancillary

Inter-Region						(Rs Lakhs)
From ↓/ To →	ER	WR	NR	SR	NER	
ER		15,757	-8,916	-10,474	6,589	
WR	-15,757	-	6,183	9,007		
NR	8,916	-6,183			-5,939	
SR	10,474	-9,007				
NER	-6,589		5,939			
Total	-2,955	567	3,206	-1,467	650	
Net All India Inter-Regional						-0

Region	DSM Surplus (+)/ Deficit (-) (A) (Rs Cr)	Ancillary Charges paid from DSM Pool a/c (B) (RsCr)	Ancillary Charges received in DSM Pool a/c (C) (Rs Cr)	AGC Net Charges paid from DSM Pool a/c (D) (Rs Cr)	SCUC Net Charges paid from DSM Pool a/c (D) (Rs Cr)	Net Surplus (+)/ Deficit (-) (A-B+C-D) (Rs Cr)	Net deficit (Yes/No)
ER	58	50	-	-70	30	48	NO
WR	58	400	89	-90	20	-183	YES
NR	48	200	58	-60	40	-75	YES
SR	52	4	-	-15	10	53	NO
NER	5	0	1	-21	5	22	NO
Total	221	655	147	-256		-135	YES

B. Settlement through National Poola Account

