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(भारत सरकार का 'नवरत्न' उद्यम)
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Lr.No. NLCIL/Comm/F 1147/2024-122

Dt: 24.05.2024

To
The Secretary,
Central Electricity Regulatory Commission,
7th Floor, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi-110029
Sir,

Sub: Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024- NLCIL comments -submission - Reg.

Ref: Public Notice No. L-1/260/2021/CERC, Dated 30.04.2024

Pursuant to the communication of Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 vide ref cited above, seeking comments of the stakeholders, NLCIL is hereby submitting its comments.

The comments have also been mailed to, secy@cercind.gov.in and advisor-re@cercind.gov.in

Thanking you,

Yours faithfully,

for NLC India Limited

General Manager / Commercial

Encl : As above

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

Regulation No. 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.

NLCIL'S Comment:

In case of forced outage of a seller, the charges for deviation shall be reference charge rate for a maximum duration of eight time blocks or **until the revision of its Declared Capacity due to forced outage**, whichever is earlier.

The detailed justification for the above comments is summarized below: -

- During forced outage, whenever a Generator changes its Declared Capacity (DC), it is getting effective from 7th or 8th time block based on the time block when it is being requested.
- There may be instances during such duration, Schedule for the station may change due to change in beneficiary requisition or Ancillary Service Schedule which is beyond Generator's control. This change may be a smaller amount also which cannot compensate huge under-injection of the station during forced outage.
- So, it will be more appropriate that during forced outage scenario Deviation charge may be taken @ the reference charge rate for a maximum duration of eight time blocks or until the revision of its Declared Capacity after forced outage instead of until the revision of its schedule.

Example:

Time Block	DC (MW)	Schedule (MW)	Remark
1	1000	1000	Forced outage happened for one unit & DC Revision Requested.
2	1000	1000	
3	1000	950	In 3 rd Block itself Schedule changed but not DC. So, DSM charge rate will be RR till 2 nd time block only as per Draft regulation.
4	1000	1000	As above regulation is not applicable from 3 rd time block till 7 th time block, so Generator will be under heavy DSM penalty due to under injection under forced outage which is beyond the control of Generator.
5	1000	1000	
6	1000	1000	
7	1000	1000	
8	500	500	DC Revision request implemented as per Regulation

Regulation No. 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.

NLCIL'S Comment:

It may be clarified if a Generator purchases power from Power Exchange during shutdown to run its auxiliaries and there is a deviation in schedule then also same Deviation rule is applicable.

Regulation No 8. Charges for Deviation up to Minimum [10% or 100 MW]

(For general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller)

Frequency Range	During Over Injection	During Under Injection
[50.00 Hz < f ≤ 50.05 Hz]	Receivable @ [100% of ECR to 50% of ECR]	Payable @ [100% of ECR to 85% of ECR]
[49.90 Hz ≤ f < 50.00 Hz]	Receivable @ [115% of ECR to 100% of ECR]	Payable @ [150% of ECR to 100% of ECR]
f < 49.90	Receivable @ 115 % of ECR	Payable @ 150 % of ECR

NLCIL'S Comment:

During any change in schedule, Generator cannot achieve energy scheduled for the block even though it achieves target MW at end of time block.

So always there will be some deviation in such time blocks and generator has to face DSM charges. It is humbly proposed for below DSM Charge in order to have uniformity of pricing structure for over injection and under injection zone and avoid losses for generators.

Frequency Range	During Over Injection	During Under Injection
[50.00 Hz < f ≤ 50.05 Hz]	Receivable @ [100 % of ECR to 85% of ECR]	Payable @ [100% of ECR to 85% of ECR]
[49.90 Hz ≤ f < 50.00 Hz]	Receivable @ [115 % of ECR to 100% of ECR]	Payable @ [115% of ECR to 100% of ECR]
f < 49.90	Receivable @ 115 % of ECR	Payable @ 115% of ECR

The detailed justification for the above comments is summarized below: -

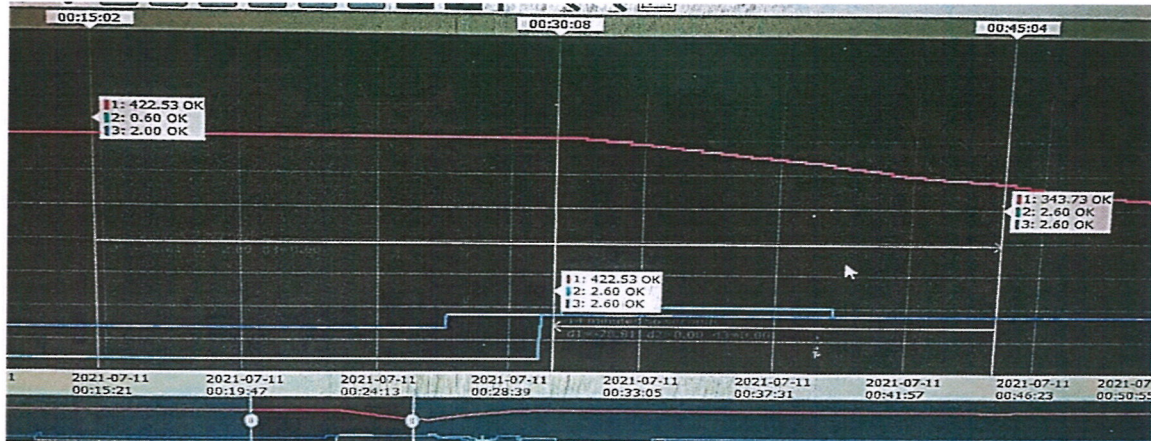
1. As per this Draft DSM Regulation 2024. Thermal Generators are penalized more as compared to incentivized in all frequency ranges even though deviation is within 10% range.
2. In the era of Renewable energy, any fluctuation in grid is primarily supported by thermal generators whose schedules are being changed frequently from Full Load to Technical Minimum & Vice – versa.
3. Under dynamic scheduling of Ancillary Service, Revisions by Beneficiaries, SCED, URS power sale in volatile power market. Currently Station schedule changes very frequently. Under this circumstance this Draft DSM regulation will further financially burden the stressed plants.
4. During constant schedule; Actual Generation/Scheduled Generation (AG/SG) may be maintained around 100% but it is not practically possible especially in blocks where change in schedule is available.
5. As change in station schedule in time blocks and corresponding impact on actual energy export for initial time blocks are beyond control of a generator uniformity DSM pricing structure will avoid revenue loss for generator providing supports for grid stability the way of changing schedule whenever required as per grid operations.
6. So, it is humbly requested that uniformity of pricing structure for over injection and under injection zone may be suitably adopted to protect the interest of thermal generators along with grid security especially when deviation is within 10% range.
7. DSM calculation method need to be modified suitably at least within 10% deviation range by considering Ramp Rate assessment guidelines & Secondary Reserve Ancillary Service (SRAS), Tertiary Reserve Ancillary Service (TRAS) operations under Ancillary Service Regulation.

Example-1:

Station scheduling Vs Actual Generation/ Export for NLCIL's TPS1EXPN station is shown here for a particular power delivery date.

Time Block	Delivery Time	DC (MW)	Schedule (MW)	Actual Export (MW)
1	00:00-00:15	388.00	385.00	385.57
2	00:15-00:30	388.00	385.00	385.51
3	00:30-00:45	388.00	250.30	345.84
4	00:45-01:00	388.00	250.30	286.05

5	01:00-01:15	388.00	308.00	335.69
6	01:15-01:30	388.00	365.80	380.55
7	01:30-01:45	388.00	385.00	384.63
8	01:45-02:00	388.00	385.00	386.72



Trend of Actual Power Generation for the station at Generator Output

During 1st two-time blocks (00:00 to 00:30)

Actual Station Schedule: 385.00 MW

Actual Generation: 422.53 MW

Actual Export: 385.57 MW (Actual APC: 8.75 %)

AG/SG almost maintained at 100%.

During Third time blocks (00:30 to 00:45)

Actual Station Schedule: 250.30 MW

(Schedule suddenly reduced as URS Power of 134.70MW could not be traded in RTM which resulted a reduction in schedule more than declared Ramp MW of 58MW)

Actual Generation: Reduced from 422.53 MW @00:30 to 343.73 MW @00:45

(With Actual Ramp Rate > Declared Ramp Rate of 1 %)

Change in Actual Generation: 78.8MW (422.53 – 343.73)

For DSM Calculation, Actual Export in 2nd time block: 385.57 MW

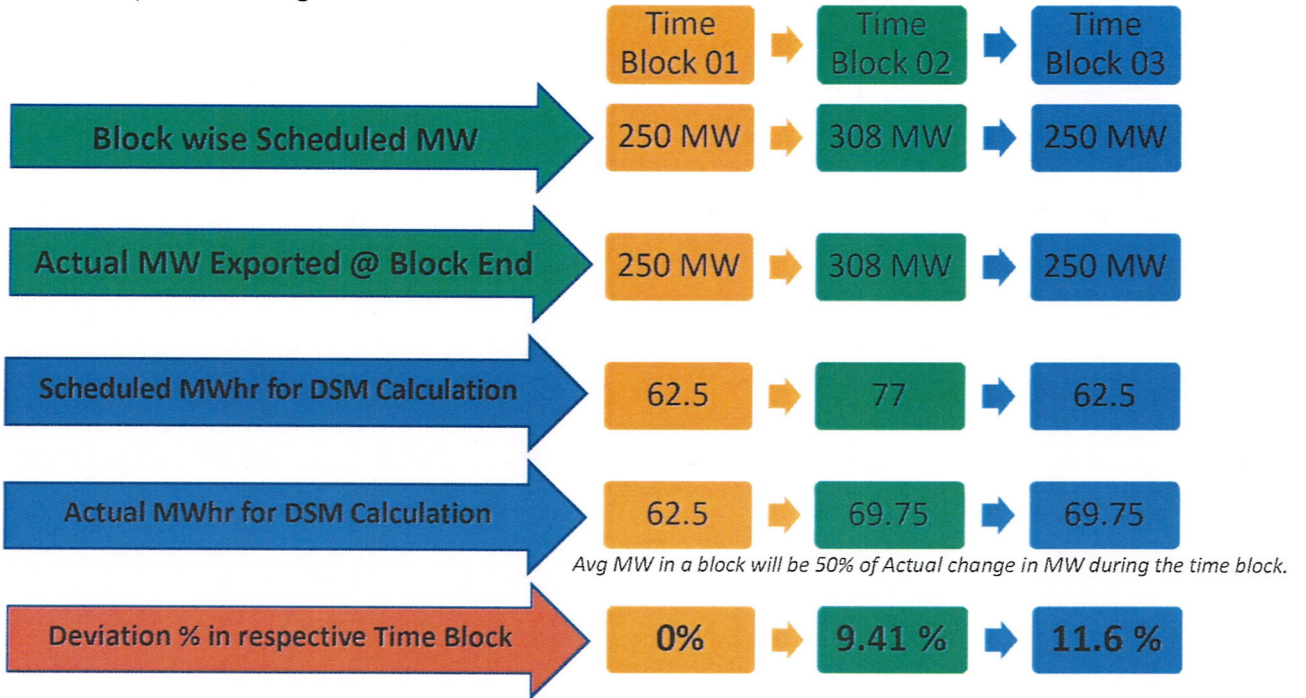
For DSM Calculation, Actual Export in 3rd time block: 345.84 MW

Change in Actual Export: 39.67 MW (385.51 – 345.84)

Although Actual generation is changed by 78.8MW or Exportable MW changed by 71.91MW after consideration of 8.75% live APC%; Change in Average load for the block which is being used for DSM purpose was changed by only 39.67MW. So, it is totally impossible to adhere to 100% of AG/SG especially when change in schedule is available for a station.

Example-2:

Suppose Scheduled MW for one block only increased from Technical Minimum by Ramp MW then again reverted back Technical Minimum Schedule.



It is clearly visible that when change in schedule & Actual Generation are as per Ramp MW, then also a generator won't be in a position to achieve 100% of AG/SG which will lead to higher penalty or loss under Draft DSM Regulation – 2024. So, it is humbly requested that uniformity of pricing structure for over injection and under injection zone may be maintained as it is out of control of generator and purely unintentional.

Regulation No 8. Charges for Deviation by the way of over injection up to [10% DGS or 100 MW, whichever is less] and f outside f band

(For general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller)

- (i) Such seller shall be paid back @ zero when $(f < 50.10 \text{ Hz})$:
Provided that such seller shall pay @ 10% of RR when $[f \geq 50.10 \text{ Hz}]$

NLCIL'S Comment:

As practically it is very difficult for a generator to maintain AG/SG exactly 100%. So, Seller should not be penalized to pay @10% of RR when $AG/SG < 110\%$ & $f \geq 50.10 \text{ Hz}$.

So, it is requested that Regulation be me modified as

Charges for Deviation by the way of over injection up to [10% DGS or 100 MW, whichever is less] and f outside f band (i) @ 85% of RR when $[f > 50.05 \text{ Hz}]$ which will be in line with Charges for Deviation by the way of under injection up to [10% DGS or 100 MW, whichever is less] and f outside f band.

Regulation No.10. 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.

NLCIL'S Comment:

- **It is requested to make time limit of 10 days as per earlier practice with introduction of rebate scheme.**

The detailed justification for the above comments is summarized below: -

1. The payment shall be allowed to be paid within 10 days as there are so many validations & internal approvals to be carried out before proceeding for payment.
2. Similar to Surcharge for late payments, Rebate scheme may also be introduced to encourage early payments by generators as payments are done on weekly basis but generators are getting their revenues through monthly billing by allowing the DISCOMs to make payment within 45 days as per CERC tariff Regulation.
3. Again, any deviation in the weekly bills is resolved after a long period and no interest is paid for the refund amount.

