

Ref No. Vena/CERC/Draft DSM/01
The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building, 36,
Janpath, New Delhi – 110001

03rd June,2024

Subject – Comments on the draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 (“draft DSM Regulations”)

Ref. Notice dated 30.04.2024

Dear Sir,

This is with reference to the Notice dated 30.04.2024 inviting comments/comments on the draft DSM Regulation.

We would like to submit our comments/suggestions, in the table below:

Clause No.	Draft Regulation	Comments
7	Normal Rate of Charges for Deviations (1) The Normal Rate (NR) for a particular time block shall be equal to the sum of: (a) 1/3 [Weighted average ACP (in paise/kWh) of the Integrated-Day Ahead Market segments of all the Power Exchanges]; (b) 1/3 [Weighted average ACP (in paise/kWh) of the Real-Time Market segments of all the Power Exchanges]; and (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].	As the price of Ancillary Services Charges are quite high, 1/3 rd of weightage of the ACP will also be on a high side resulting in a higher charge for deviation. It is requested to cap the Normal Rate at a particular price so that it does not affect the Buyers adversely.
Clause 8(4)	Charges for Deviation, in respect of a WS Seller being a generating station based on wind or solar or hybrid of wind-solar resources, including such generating	It has been proposed that for a hybrid of wind-solar resources, the

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	<p>stations aggregated at a pooling station through QCA shall be without any linkage to grid frequency.</p> <table border="1"> <thead> <tr> <th>WS Seller</th> <th>Volume Limit</th> </tr> </thead> <tbody> <tr> <td>A generating station based on solar or a hybrid of wind-solar resources or aggregation at a pooling station</td> <td> $VL_{WS}(1)$ = Deviation up to 5% D_{WS} $VL_{WS}(2)$ = Deviation beyond 5% D_{WS} and up to 10% D_{WS} $VL_{WS}(3)$ = Deviation beyond 10% D_{WS} and up to 20% D_{WS} </td> </tr> <tr> <td>A generating station based on wind resource</td> <td> $VL_{WS}(1)$ = Deviation up to 10% D_{WS} $VL_{WS}(2)$ = Deviation beyond 10% D_{WS} and up to 15% D_{WS} $VL_{WS}(3)$ = Deviation beyond 15% D_{WS} and up to 25% D_{WS} </td> </tr> </tbody> </table> <p>Note: In case of aggregation of WS sellers at a pooling station through QCA.</p>	WS Seller	Volume Limit	A generating station based on solar or a hybrid of wind-solar resources or aggregation at a pooling station	$VL_{WS}(1)$ = Deviation up to 5% D_{WS} $VL_{WS}(2)$ = Deviation beyond 5% D_{WS} and up to 10% D_{WS} $VL_{WS}(3)$ = Deviation beyond 10% D_{WS} and up to 20% D_{WS}	A generating station based on wind resource	$VL_{WS}(1)$ = Deviation up to 10% D_{WS} $VL_{WS}(2)$ = Deviation beyond 10% D_{WS} and up to 15% D_{WS} $VL_{WS}(3)$ = Deviation beyond 15% D_{WS} and up to 25% D_{WS}	<p>volume limit is to be considered as for Solar. However, since a wind resource has a higher probability of deviation, it is observed that the Hon'ble Commission have factored the same and proposed a separate category for wind. Accordingly, we would like to suggest that in case of hybrid arrangement, the higher of wind and solar should be considered for the volume limit determination. For e.g. in Hybrid arrangement where the installed capacity of Solar is more than Wind than it should be considered as Solar and if the installed capacity of Wind component is higher than solar, then the deviation charges and volume limit should be considered as per Wind resource.</p>
WS Seller	Volume Limit							
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8(6)	Charges for Deviation, in respect of an ESS co-located with WS Seller(s) connected at the same	For a hybrid project of wind and solar,						



	<p>interconnection point, shall be as follows: i) Such seller shall provide <u>a separate schedule for WS and ESS components through the Lead generator or QCA at the interconnection point</u>; 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.</p>	<p>co-located with ESS component, there shall be one interconnection point for connecting with the Grid, hence it would not be technically feasible to provide schedule for WS component and ESS Separately.</p> <p>Further, A key use case of a co-located ESS is to smooth out intermittent variations in generation and thereby help in maintaining grid discipline. If a generator were to forecast separate schedules, it doesn't help in reducing the forecasting error and generator may be impacted with penalties on both generation and ESS end which nullifies the use case of battery.</p>
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While we appreciate the initiatives undertaken by the Hon'ble Commission, however, frequent changes in the regulation would lead to regulatory uncertainty and would also impact the commercials of the ongoing and commercial projects. While, we request the Hon'ble Commission to consider the aforementioned suggestions, we would also request the Hon'ble Commission to

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introduce changes towards a sustainable Renewable energy market and overall ease for developers investing in the growth of Renewable Energy in the country.

Thanking You.

Yours sincerely,
For Vena Energy Infrastructure Services Private Limited

A handwritten signature in blue ink, appearing to be "S. K. S.", written over a horizontal line.

Authorised Signatory

