



JITPL Comments on the Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024



Comment 1 - Clause 8. Charges for Deviation

5% increment demand instead of 1.5%

- ***Existing Clause in Draft regulation.***
 - Deviation by way of over injection
 - For Deviation up to [10% DGS or 100 MW, whichever is less] and f within f band
 - (iii) When [$49.90 \leq f < 50.00$ Hz], for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be increased by 1.5% of RR so that charges for deviation become 115% of RR when $f = 49.90$ Hz
- ***Amendment Proposed***
 - When [$49.90 \leq f < 50.00$ Hz], for every decrease in f by 0.01 Hz, charges for deviation for such seller shall be **increased by 5% of RR so that charges for deviation become 150% of RR when $f = 49.90$ Hz**
- ***Justification:***
 - In such cases the seller is supporting the grid by way of over injection when frequency is lower side, hence seller must be incentivized at minimum rate of 5% of RR instead of 1.5% as suggested in draft regulation. While penalty imposed on generator is at the rate of 10 % in case of over injection at higher frequency, seller at least should be incentivized at half the rate of penalty imposed i.e. 5%.



Comment-2 Clause 8. Charges for Deviation

Request to resist reverse payment when $f \geq 50.10\text{Hz}$

- ***Existing clause in draft Regulation***

- Deviation by way of over injection
- (III) For Deviation beyond [10% D_{GS} or 100 MW, whichever is less] and f within and outside f_{band}
- (i) Such seller shall be paid back @ zero when ($f < 50.10\text{ Hz}$):
 - Provided that such seller shall pay @ 10% of RR when [$f \geq 50.10\text{ Hz}$]

- ***Amendment Proposed***

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

- ***Justification:***

- Penalty for deviation beyond 10% D_{GS} or 100MW for over injection at the rate of 10% of RR when [$f \geq 50.10\text{ Hz}$] should not be applicable as generator will already be losing in terms of fuel cost.



Comment-3 Clause 8. Charges for Deviation.

Penalty should be equal to Incentive

- ***Existing Clause in Draft regulation***

- Deviation by way of under injection
- (III) For Deviation beyond [10% D_{GS} or 100 MW, whichever is less] and f within and outside f_{band}
- (iv) Such seller shall pay @ 200% of RR when [$f < 49.90$ Hz]

- ***Amendment Proposed***

- (iv) Such seller shall pay @ 150% of RR when [$f < 49.90$ Hz]

- **Justification:**

- Penalty applicable @200% when frequency < 49.90 Hz is abnormally high and unfair to Generator.



Comment-4

RCR penalty in forced outage should not bound to 8 block.

- Clause 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
- **Amendment Proposed**
- **In case of forced outage, Generators the charges for deviation shall be @ the reference charge rate until the revision of its schedule.**
- **Justification:**
- It is pertained to mention here that force outage phenomena is not in hand of Generating entity. At the time of forced outage Generators need to determine various factors including but not limited to the time to revive the units/station hence the charges for deviation shall be @ the reference charge rate until the revision of its schedule in forced outage.



Comment 5-General Deviation Proposed

+/- 10MW variation should be allowed without financial impact.

Technically it is not possible for generators to maintain the exact schedule and there will always be certain variation in Actual Generation and Schedule Generation, therefore we propose a deviation of +/- 10MW must be allowed to all generators without any additional financial impact over Generating unit.