



TAMIL NADU POWER PRODUCERS ASSOCIATION

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Ref: TNPPA/CERC/DSM-2024/FY-2024-25/100

Date: 23-05-2024

To
The Secretary,
CENTRAL ELECTRICITY REGULATORY COMMISSION
3rd & 4th Floor, Chanderlok Building,
36, Janpath Road, New Delhi-110001
Tele No.: 011-23353503/23753918, Fax: 011-23753923,
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Kind Attention: Shri. Harpreet Singh Pruthi,

Sub: Request to consider our comments on the draft Hon'ble CERC DSM Regulations 2024-Reg.

Ref: Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 webhosted by Hon'ble CERC vide notification No. L-1/260/2021/CERC Dated: 30.04.2024.

Dear Sir,

We take this opportunity to introduce that ourselves, the Tamil Nadu Power Producers Association(TNPPA) is a registered association under the Tamil Nadu Societies Registration Act, 1975 with New registration no. 312 of 2017 (Old no. 130 of 2004), with the primary objective of promoting and protecting the interests of the power generators in the State of Tamil Nadu.

The Association consists of 23 members including Captive Generating Plants, Independent Power Producers, and Industrial cum Captive Users, with an overall installed capacity of more than 2000 MW. The Association includes power producers having power plants, which are coal based, gas based, Biomass based, Fossil fuel based, waste based, etc. The Association has been taking up various issues and problems faced by its members with the Government and its various other authorities for resolution. It is also authorized to represent its members across various appropriate regulatory and judicial for as and when such need arises.

Further, it is pertinent to note that most of our members being power suppliers to various DISCOMs located in the country under the short term, medium term and Long term PPA/LoA/LoI, we as a stakeholder on behalf of our members submit the comments (as **Annexure-1** enclosed herewith) on the above reference cited draft Hon'ble CERC DSM Regulations for your kind consideration.

ANNEXURE-1

TNPPA’s Comments/Suggestions/Request on the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 (hereafter called as “Draft Regulation”) webhosted by Hon’ble CERC vide notification No. L-1/260/2021/CERC Dated 30.04.2024 as below.

Sr. No.	Para No. of the draft Regulation	Proposed draft Regulation by the Hon’ble CERC	Our Comments/Suggestions/Request on the draft Regulation
1.	3.(1)(o)	3. Definitions and Interpretation (o) Integrated Day Ahead Market means a market where Day Ahead Contracts are transacted on the power exchanges, including collective transactions under Day Ahead Market (DAM), Green Day Ahead Market (Green DAM), and High Price Day Ahead Market (HP-DAM);	It is known fact that HP-DAM used to operate only in the extreme demand condition. In addition, the price discovered in this segment of market would be always higher. It will affect both buyer and seller in terms very higher DSM charges, since they are actually not participating in the HP-DAM market. Accordingly, it is requested to remove the HP-DAM market from the definition of Integrated Day Ahead Market. In addition to carryout necessary amendments in the draft Regulation, wherever the consequences of HP-DAM persists.
2.	6(2)	6. Computation of Deviation (2) Deviation in a time block for WS sellers shall be computed as follows: Deviation-WS seller (Dws) (in MWh) = [(Actual Injection in MWh) – (Scheduled generation in MWh)]. Deviation-WS seller (Dws) (in %) = 100 x [(Actual Injection in MWh) – (Scheduled generation in MWh)] / [(Available Capacity)].	It is to be noted that in order to arrive the correct deviation in percentage (%) for Wind Solar seller (Dws). The denominator of the Wind Solar Seller % formula needs correction, Available Capacity of the denominator has to be changed to Scheduled generation. Otherwise, it would create disparity between the Thermal and Wind-solar plants. Accordingly, it is requested to modify the formula given in computation of Deviation-WS seller (Dws) (in %) of the draft Regulation.

3.	8(1)(I)(vi)	<p>8. Charges for Deviation (1) Charges for Deviation, in respect of a general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller shall be as under:</p> <p>Deviation by way of under injection (Payable by the Seller): (I) For Deviation up to [10% DGs or 100 MW, whichever is less] and f within f band (vi) When $[49.90 \leq f < 50.00 \text{ Hz}]$, 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 becomes 150% of RR when $f = 49.90\text{Hz}$</p>	<p>It is known fact that thermal power plants contribute for 70 to 80% of the base load operation, but the wind-solar plants are uncertain in nature (frequency also delinked for WS generators). Thus, levying such huge penalties for under injection in terms of deviation charges for the frequency range of $49.90 \leq f < 50.00 \text{ Hz}$ would make the thermal power plants unviable to run.</p> <p>Further, it is to be noted that the draft Regulation in para No. 8 (1) (I) (iii) states that, in case of over injection by the seller, when the frequency in the range of $49.90 \leq f < 50.00 \text{ Hz}$, then the charges for deviation (receivable by the seller) for such seller shall be increased only by 1.5% of RR so that charges for deviation become 115% of RR when $f = 49.90\text{Hz}$.</p> <p>Accordingly, in order to maintain the parity in the levy of deviation charges within the same frequency limits (for both over injection and under injection). We suggest you to amend the para 8(1)(I)(vi) as below,</p> <p><i>(vi) When $[49.90 \leq f < 50.00 \text{ Hz}]$, 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 becomes 115% of RR when $f = 49.90\text{Hz}$</i></p>
4.	8(1)(II)(iv)	<p>8. Charges for Deviation (1) Charges for Deviation, in respect of a general seller other than an RoR generating station or a generating station based on municipal solid waste or WS seller shall be as under:</p>	<p>It is to be noted that the draft Regulation in para No. 8 (1)(II)(ii) states that in case of over injection by the seller, when the frequency is < 49.90 Hz, then</p>

	<p>(II) For Deviation up to [10% DGs or 100 MW, whichever is less] and <i>f</i> outside <i>f</i> band</p> <p>iv) @ 150 % of RR when [$f < 49.90$ Hz]</p>	<p>the charges for deviation for such seller shall be only 115% of RR.</p> <p>Accordingly, in order to maintain the parity in the levy of deviation charges within the same frequency limits (for both over injection and under injection), we request you to amend the para 8(1)(II)(iv) as below.</p> <p><i>II) For Deviation up to [10% DGS or 100 MW, whichever is less] and f outside f band</i></p> <p><i>iv) @ 115 % of RR when [$f < 49.90$ Hz]</i></p>
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