



भारत सरकार
केन्द्रीय विद्युत प्राधिकरण
दक्षिण क्षेत्रीय विद्युत
समिति
29, रेस कोर्स क्रॉस रोड
बेंगलूर-560 009



Government of India
Central Electricity Authority
Southern Regional Power Committee
29, Race Course Cross Road
BENGALURU - 560 009

Phone : 080 -22209612 ; FAX : 080-2225 9343; e-mail: secommlsrpc-ka@nic.in ; web site: www.srpc.kar.nic.in

No. SRPC/SE-(C) /CERC/2024/

दिनांक/ Dated: 8th March 2024

सेवा में / To

The Secretary
Central Electricity Regulatory Commission
3rd and 4th Floor, Chanderlok Building,
36 Janpath Marg,
New Delhi 110001

Subject: Clarification regarding computation of Deviation charges –Reg.

महोदय /Sir,

The following ambiguities with regard to computation of deviation charges as per CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 and subsequent orders (in Suo-moto petitions) dated 26.12.2022, 06.02.2023 and 01.04.2023 are submitted for necessary instructions in preparing the DSM accounts:

1. Deviation computation when an entity injects infirm power:

Relevant clauses of IEGC 2023 and DSM Regulations/Orders are reproduced below:

IEGC Clause 19 (5):

“The charges for deviation for drawal of start up power or for injection of infirm power shall be as per the DSM Regulations;”

CERC Order dated 06.02.2024 in Pt. No. 01/SM/2023 Clause 27: Relaxation of Regulation 8 of the DSM Regulations, 2022:

“(3) (a) 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.

(b) The charges for deviation for drawal of start-up power before COD of a generating unit or for drawal of power to run the auxiliaries during 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.”

As per the above, when a regional entity, including WS/RE entities, injects scheduled infirm power, the charges for deviation are to be computed by applying clauses pertaining to that of general seller. Hence, deviation charges of WS/RE entity, which injects infirm power, are to be computed considering it as a general seller (including frequency linked charges, if any).

For a general seller deviation is charged at reference rate and normal rate depending on the slabs of deviation. In case of WS/RE entity transacting infirm power, the rate which is to be considered as reference rate needs clarity. The options available are “contract rate” or “the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block”. However, it is noted that the rates mentioned in PPA are applicable post COD (part commissioning or achieving commissioning of the project). Some PPAs are not having clarity w.r.t infirm power transactions.

Further, as per CERC order dated 09.04.2023 in Petition No. 05/SM/2023, if power is sold through HP-DAM, ‘reference charge rate’ specified for deviation by way of ‘under-injection’ shall be equal to the weighted average ACP of the HP-DAM segments of all Power Exchanges, for that time block for the quantum of power sold through HP-DAM.

Pertinently in the case for WS/RE seller scheduling power (infirm and firm) through PX would get the MCP while DSM is settled at Contract Rate (PPA rate), thus an opportunity for undue profit just by under injecting is available.

In line with the above mentioned order dated 09.04.2023, the reference charge rate to be applied in case of under injection by a seller, including WS/RE, scheduling infirm power [often transacted through power exchanges] may be clearly mentioned in the Regulation.

2. Instances of WS seller selling part capacity through PPAs and remaining merchant capacity transacted through PX, consequent to cancellation of PPAs, are observed. The deviation charges in such cases of part PPA and part merchant capacity may also be specified.
3. There are RE entities with multiple contracts and varied rates/modalities of settlement for different time of day (viz. peak off peak)/rates depending on meeting certain conditions, such as energy supplied during a month, year etc., which are applicable post verification. Defining contract rate in such cases become complex. Since contract rates are available, though varying in nature, weighted average ACP cannot be applied. A simple dispensation may be notified.
4. Besides the above mentioned matters of DSM charges, it is felt that suitable mechanism for monitoring under injection of WS/RE sellers vis-à-vis RE obligation also needs to be in place.

It is, therefore, requested that necessary instructions and clarifications on the following may kindly be arranged to be communicated at the earliest, to enable preparation of accurate accounts:

Deviation charges to be applied in the below mentioned cases, in respect of different categories of entities:

- Deviation charges of WS seller, which injects infirm power, considering it as a general seller.
- Clarity of DSM rate to be applied in the cases of WS seller with part COD and part infirm injection.
- Clarity on DSM rate in respect of the part capacity under PPA and part capacity under merchant capacity.
- Contract rate for WS sellers with varied PPA rates and conditions.
- Reference charge rate to be applied in case of under injection by a seller scheduling infirm power.
- Different deviation rates for over injection (like contract rate) and under injection (like ACP rate) may be also be considered to avoid wilful deviations.

Yours faithfully,



(असित सिंह/ Asit Singh)

सदस्य सचिव / Member Secretary