

## Comments/ Suggestions on the Draft Central Electricity Regulation Commission ( Deviation Settlement Mechanism and Related Matters) Regulations, 2024

**From : Electro Solaire Pvt Ltd**

**Betam Wind Energy Pvt Ltd**

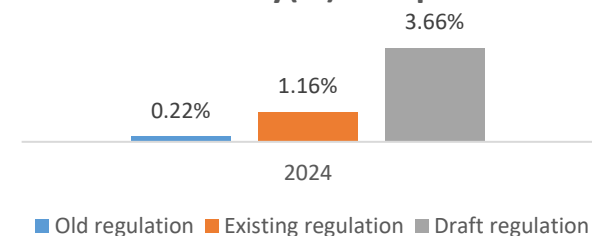
Sr no	Draft Regulation reference.	Request	Reason				
1	<p><b>8(4) : Charges for Deviation</b> Charges for Deviation, in respect of a WS Seller being a generating station based on wind or solar or hybrid of wind–solar resources, including such generating stations aggregated at a pooling station through QCA shall be without any linkage to grid frequency, as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Deviation by way of over injection (Receivable by the Seller)</th> <th style="text-align: center;">Deviation by way of under injection (Payable by the Seller)</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">                     (i) for VL<sub>WS</sub>(1) @ contract rate;                      (ii) for VL<sub>WS</sub>(2) @ 90% of contract rate                      (iii) for VL<sub>WS</sub> (3) @ 50% of contract rate.                      (iv) beyond VL<sub>WS</sub>(3) @ Zero;                 </td> <td style="vertical-align: top;">                     v) for VL<sub>WS</sub>(1) @ contract rate;                      (vi) for VL<sub>WS</sub>(2) @ 110% of contract rate;                      (vii) for VL<sub>S3</sub> @ 150% of contract rate;                      (viii) beyond VL<sub>WS</sub>(3) @ 200% of contract rate.                 </td> </tr> </tbody> </table> <p>Solar :</p>	Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)	(i) for VL <sub>WS</sub> (1) @ contract rate; (ii) for VL <sub>WS</sub> (2) @ 90% of contract rate (iii) for VL <sub>WS</sub> (3) @ 50% of contract rate. (iv) beyond VL <sub>WS</sub> (3) @ Zero;	v) for VL <sub>WS</sub> (1) @ contract rate; (vi) for VL <sub>WS</sub> (2) @ 110% of contract rate; (vii) for VL <sub>S3</sub> @ 150% of contract rate; (viii) beyond VL <sub>WS</sub> (3) @ 200% of contract rate.	<p>We request the honourable commission , to continue the 2014 regulation and gradually implement the proposed draft regulation over the period of 1-2 years allowing the developers and forecasting agencies to adapt to the change and improve the accuracy.</p>	<p>Solar/Wind projects are exposed to unpredictable and abrupt weather changes caused by localised cloud movements, storm , fog , wind variation etc. due to which currently it is close to impossible to operate with in the 5% range. The developers have also tied up with other independent weather forecasters to improve prediction of these low moving clouds and dynamic climatic change. But still no substantial improvements have been achieved. Furthermore , the Oct.23 IEGC protocol makes it even more difficult as the generation revision time block is revised from 1 hour to 2 hours.</p>
Deviation by way of over injection (Receivable by the Seller)	Deviation by way of under injection (Payable by the Seller)						
(i) for VL <sub>WS</sub> (1) @ contract rate; (ii) for VL <sub>WS</sub> (2) @ 90% of contract rate (iii) for VL <sub>WS</sub> (3) @ 50% of contract rate. (iv) beyond VL <sub>WS</sub> (3) @ Zero;	v) for VL <sub>WS</sub> (1) @ contract rate; (vi) for VL <sub>WS</sub> (2) @ 110% of contract rate; (vii) for VL <sub>S3</sub> @ 150% of contract rate; (viii) beyond VL <sub>WS</sub> (3) @ 200% of contract rate.						

Band	Deviation by the way of over injection (Receivable by the seller)	Deviation by the way of Under injection (Payable by the Seller)
0- 5%	Contract Rate	Contract Rate
5-10%	90% of the Contract Rate	110% of the Contract Rate
10-20%	50% of the Contract Rate	150% of the Contract Rate
Above 20%	Zero	200% of the Contract Rate

**Wind:**

Band	Deviation by way of over injection ( Receivable by the seller)	Deviation by way of under injection ( Payable by the seller)
0-10%	Contract rate	Contract rate
10-15%	90% of the contract rate	110% of the contract rate
15- 25%	50% of the contract rate	150% of the contract rate
Above 25%	Zero	200% of the contract rate

### Solar Penalty(%) Comparison



Higher DSM charges will impact revenue and profitability of the project compared to the bid assumptions for renewable energy developers . This may impact the lenders assumptions and pose challenges while executing the financing agreements.

Further , for upcoming bids , it may push the developers to factor in additional impact of the tariffs being quoted and eventually increase the Tariffs in renewable bids.

2. 8.4(a) (a) the contract rate for the purpose of deviation shall be equal to the weighted average of the contract rates of all individual WS seller(s) opting for aggregation at the pooling station;

The deviation charges shall be paid as per individual generators PPA rate.

The weighted average of contract rate at aggregation level will lead to some generators paying more than the double of their contact rate, which will further commercially impact the generators.