



A Maharatna Company

एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

Date: 06.05.2024

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

Subject: NTPC submission on Draft CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations-2024.

Sir,

Hon'ble Commission has published Draft CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations-2024 and has invited comments from various stakeholders on the draft regulation.

In this regard, please find enclosed submissions of NTPC on CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations-2024.

Thanking you,

Yours sincerely

Ajay Dua
ED (Commercial)

NTPC Submission on Draft CERC (Fees and Charges of RLDC and other related matters) Regulations, 2024

1. Regulation 28 of the draft Regulations provides that:

“28. Performance Linked Incentive to RLDCs and NLDC

(1) Recovery of incentive by the RLDCs and NLDC shall be based on the performance against the Key Performance Indicators (KPIs) as specified in Appendix-IV or such other parameters as may be prescribed by the Commission.

.....

(5) Each RLDC and NLDC shall be allowed to recover incentive of 12% of its Annual LDC Charges for performance level of 90% against the KPIs. The performance of previous year ending on 31st March shall be considered for calculation and recovery of incentive in the year. Provided that the incentive shall increase by 1% of Annual LDC Charges for every 5% increase of performance above 90% on a pro-rata basis. Provided further that incentive shall be reduced by 1% on a pro-rata basis for every 3% decrease in performance level below 90%.

.....”

Submission:

- a. The Central Commission has introduced the concept of Security Constrained Economic Despatch (SCED) with a view of ensuring optimization of generation resources at National level though a pilot vide its Orders from time to time and now the provision of same has been made in IEGC 2023.

As per IEGC-2023, NLDC is the nodal agency for implementing Security Constrained Economic Despatch (SCED) through RLDCs.

The prime driver behind the SCED is to explore the scope of optimization and therefore the possibility of minimizing the system cost without major structural changes in the existing system and since its inception in April 2019, SCED has resulted in reduction of variable cost of generation by more than Rs. 2000 crore.

It worthwhile to mention that though the system is in force since April 2019 however due to delays in issuing the accounts, there is delay in making payments to participating generating stations such as payment for increase in fuel charges due to SCED UP schedule, part load compensation due to SCED down schedule and in sharing of gains earned in SCED.

Such delays are causing financial loss to generators and are being questioned by their auditors.

It is requested that in the Key performance indicators (KPI), the aspects of SCED may also be included so that the difficulties being faced by the stakeholder are resolved progressively.

In view of above, it is requested to include **timely issuance of consolidated "National SCED Monthly Statement, National SCED monthly compensation Statement & National SCED monthly Net Benefits Distribution Statement in the KPIs.**

- b. It may please be noted that NLDC and RLDCs are the apex bodies established by the central government for monitoring and operation of grid. They are providing various assigned services under their market and system operation functions and stakeholders are also being charged for the same.

It is requested that in order to improvise the systems and services being provided, the stakeholder's satisfaction index in the KPI may please be provided in detail and its weightage may also be increased.

Presently only 4% weightage has been assigned out of 100, by including **Assessment of feedback received from stakeholders in Regulatory Compliance and Stakeholder's satisfaction section.**

2. Regulation-26(1)(b) provides that:

"The LDC Charges for the inter-State Generating station and sellers shall be worked out on the basis of installed capacity in the case of the generating station and GNA in the case of sellers".

Submission: It may please be noted that there are certain CGS generating station which are having dual connectivity like Meja, Kanti etc. and there is a possibility of dual recovery of such charges i.e. by SLDC as well as by RLDC because the allocation of power is modified by the MoP, Gol from time to time.

Therefore, an additional proviso may be added to this regulation as:

"Provided that in case of a generating station/seller connected to Intrastate and Interstate transmission systems both, the LDC charges shall be payable by the respective entity corresponding to the power allocation made by MoP, Gol for which scheduling is being done by RLDCs.