Power Company of Karnataka Limited(PCKL) submit comments /Suggestion on the determination of value of "X" for computation of the deviation (in %) for Wind and Solar (WS) Sellers from 01.04.2026 onwards under the provisions of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024

General Overview

The proposed Volume limit Deviation mechanism for WS seller sources namely wind, solar, and hybrid is a welcome step towards maintaining grid discipline.

However, from the DISCOMs perspective, the mechanism must balance grid reliability, financial viability, and the operational limitations of renewable generation.

Comments

- ✓ The accuracy of forecasting by WS sellers has significantly improved. Therefore, any deviation from the scheduled generation should be borne solely by the WS sellers.
- ✓ Allowing a wider deviation band leads to increased financial burden on DISCOMs. For instance, in the state of Karnataka, the installed capacity of wind and solar energy exceeds 18,000 MW. If a 5% deviation is permitted, this amounts to a 900 MW variation. Such a shortfall must be compensated through procurement by NLDC under ancillary services, resulting in substantial penalties and high balancing costs.
- ✓ Deviations by WS sellers beyond the permissible volume limit create real-time balancing challenges, forcing DISCOMs to procure costly power from the Real-Time Market (RTM) or ancillary services.
- ✓ Furthermore, DISCOMs are often compelled to back down conventional generators at short notice, which leads to payment of part-load compensation to these generators, adding to the financial strain.

In light of the above, **any deviation penalties should primarily be borne by the Renewable Energy (RE) generators**, as they are directly responsible for maintaining schedule discipline based on their generation forecasts.

Suggestions

- ✓ CERC shall allow to net deviations across multiple RE sources under RLDC scheduling control area
- ✓ The volume limit shall be depending on season, region, or weather variability.
- ✓ Creating a separate deviation settlement pool for RE related imbalances,