Athena's comments/suggestions/objections on 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

Fundamentally, we do not agree with this proposal and its implementation, as both the DSM Regulations, namely CERC DSM Regulation 2022 and 2024, are under challenge before the Hon'ble High Court and remain sub judice, with the Court's order stating that ***"no coercive steps, pursuant to the impugned Regulation, shall be taken..."***. Therefore, the proposed changes shall not be implemented. Additionally, the details provided in the said Suo-Motu Order / Proposal contain several flaws and discrepancies as detailed below.

Order/Proposal Article No.	Article Description	Queries, Comments and Rationales	Suggestions and Requests
15 & 17	Grid-India study assessment results	No clarity on whether the shared results are with respect to the existing revenue-neutral tolerance band for Wind of +/-15% and for Solar of +/-10%, or with respect to the proposed tightened DSM tolerance band for Wind of +/-10% and for Solar of +/-5%?	Please clarify whether the study results referred in Article No.15 and 17 are with respect to the existing revenue-neutral tolerance band for Wind of +/-15% and for Solar of +/-10%, or with respect to the proposed tightened DSM tolerance band for Wind of +/-10% and for Solar of +/-5%
4	Provided 'X' shall be stipulated by the Commission through separate order(s) after **public consultation**.	i. What is the basis for grading the X and setting the timelines? ii. Is this aligned with the Irradiation forecast accuracy roadmap shared by any credible organization? iii. Is point (i) above aligned with the road map shared by IMD or NCMRWF?	Since solar energy forecast is primarily dependent on the irradiation forecast accuracy, the roadmap for commensurate technological advancement shall be certified by IMD and NCMRWF before proposing commercial changes.
7	A meeting was held with the Regional Energy Management Centres (REMCs) on 25 October 2024 **to review the measures taken to improve forecasting**, as REMCs have been operational since the 2020–21 …..	What according to REMC is the irradiation forecast accuracy that they have achieved?	If REMC has already achieved the desired accuracy as proposed in this document, then the same may be shared with SPD's so that they can also follow the same.

<table>
<tr>
<td>15</td>
<td>The study assessed the impact of DSM on the revenue of RE plants under different values of X, ranging from X = 100% to X = 0%. The findings indicate that the solar plants experienced a moderate range of revenue loss, varying from around 3.5% to 11.1%.</td>
<td>1. On what basis is 3.5% to 11.1% of annual revenue losses categorized as “moderate losses”?
2. Based on tariff determination that CERC carries out, can any SPD afford to absorb 11.1% of revenue losses and be commercially viable?</td>
<td>CERC to please check from the tariff determination rate analysis if any solar business can be commercially viable with 11% annual revenue loss.</td>
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<tr>
<td>15</td>
<td>Table of % Gain/Loss w.r.t PPA rate due to DSM under different values of X…
<table>
<tr><th rowspan="2">Plants</th><th rowspan="2">PPA Tariff (paise/kWh)</th><th colspan="2">% Gain/Loss w.r.t PPA rate due to DSM</th></tr>
<tr><th>X=100%</th><th>X=0%</th></tr>
<tr><td>Solar 1</td><td>596</td><td>-3.6%</td><td>-10.3%</td></tr>
<tr><td>Solar 2</td><td>285</td><td>-3.5%</td><td>-7.5%</td></tr>
<tr><td>Solar 3</td><td>124</td><td>-6.2%</td><td>-11.1%</td></tr>
<tr><td>Solar 4</td><td>317</td><td>-4.0%</td><td>-8.2%</td></tr>
<tr><td>Solar 5</td><td>269</td><td>-4.4%</td><td>-8.4%</td></tr>
<tr><td>Solar 6</td><td>291</td><td>-4.6%</td><td>-8.5%</td></tr>
</table></td>
<td>For each of the plants i.e. Solar Plant 1 to 6, what is the split of %Gain/Loss in below categories:
(a) OI
(b) UI
(c) Within tolerance band.

For example, in Solar plant 3, what is the split for -6.2% when X=100% and 11.1% when X=0% in above categories?</td>
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<td>19</td>
<td>The Commission notes that the forecasting and scheduling framework for WS sellers has been in place since 2017, and it was expected that, based on the experience gained over the
period, there would be an improvement in forecasting techniques, which could be deployed
in the larger interest of grid security. This is because a large tolerance band, coupled with a relaxed error/ deviation formula for WS Sellers, would have a serious operational impact
on grid management.</td>
<td>1. Is the statement “there would be an improvement in forecasting techniques” is backed up with scientific study reports of IMD and NCMRWF.
2. Is the DSM commercial roadmap aligned with roadmap of technological improvement (Irradiation forecast) of IMD and NCMRWF.</td>
<td>1. The developers do not have expertise in weather forecasting and hence the Hon’ble commission should seek advice of expert weather forecasting agencies like IMD and NCMRWF regarding improvement in forecast technology and accuracies.
2. Alternatively, CERC can recommend the generation forecast to WS sellers, the deviations between the recommended forecast versus actual shall not be excluded from the DSM calculation and the developer will be penalized if they don’t adhere to the recommended forecast.

In view of the foregoing, the DSM Regulation should be rolled back to 2014 Regulation till</td>
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</table>

			the Technological maturity in irradiation forecasting is certified and demonstrated by IMD/NCMRWF.
20	the Commission has also noted the views of the stakeholders, especially distribution companies, to shift to schedule-based deviation computation for the WS Seller, similar to conventional sources.	There is a fundamental flaw in comparing RE with Conventional in terms deviation management because the input/fuel of RE generation is not controlled neither accurately predictable unlike conventional. The fuel for conventional generators is controlled however the fuel for WS sellers which is Wind and Irradiation is completely uncontrolled and highly variable as per the weather hence both conventional and WS sellers can't be treated same.	RE cannot be equated with Conventional due to their fundamental differences in sources of generation. Hence, shifting to schedule-based deviation computation for the WS Seller similar to conventional sources shall not be done.