INDIAN WIND TURBINE MANUFACTURERS ASSOCIATION

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF:

Proposed Framework for Forecasting, Scheduling & Imbalance Handling for Renewable Energy (RE) Generating Stations based on wind and solar at Inter-State Level

Indian Wind Turbine Manufacturers Association (IWTMA) is in existence over 15 years and has played a role of an important stakeholder in wind power industry development. As you are aware, we offer turnkey solutions to the investors and take an active role in policy and regulatory intervention both at Centre and State and look at challenges as an opportunity to move this sector as we believe the wind power is "**The Power of now and Future**".

This is in reference to Public Notice on "Proposed Framework on "Forecasting, Scheduling & Imbalance Handling for Renewable Energy (RE) Generating Stations based on wind and solar at Inter-State Level"

We appreciate Hon'ble Central Commission efforts to effectively integrate the nature dependent sources like wind and solar into inter-state grid system. We hope that forecasting and scheduling will provide a long term visibility to nature dependent sources of generation which are very infirm in nature. However, we also raise concern over some of commercial aspects of the proposed mechanism that makes this mechanism completely unworkable for such sources of energy.

IWTMA would like to submit its comments on the below key issues to the Hon'ble Commission.

Forecasting

1. Clause 3.1 of the Proposed Framework mentioned that

"Forecasting is an essential pre-requisite for scheduling of the wind/solar generation. Forecasting needs to be done by the wind/solar generator and the concerned RLDC" and *"**Any commercial impact on account of scheduling based on the forecast would be borne by the wind/solar energy generator**."*

It's our humble request to Hon'ble Commission not to impose any penalty in case of variation from schedule during the initial stages at least for first 2 year as the Wind industry has no experience of inter-state power flow.

Imbalance Handling

2. Clause 3.4 of the Proposed Framework mentioned that

"*It is essential that desired limits be stipulated for deviation so as to provide enough signals/incentive to the wind/solar energy generator to forecast as accurately as possible. Accordingly, keeping in view the first level of volume limits as per the DSM Regulations, **the desired operating band of ±12% is being proposed for the wind and solar energy generators.***"

Hon'ble Commission has taken initiative tomake Grid more strengthen and reduce the operating band of ±12% from ±30%, as the earlier framework provided in the IEGC, the wind energy generators were mandated to undertake forecasting and scheduling subject to pre-specified tolerance limit of ±30%.

We request to Hon'ble Commission for initially consider the band of ±30% and gradually reduce it based on experience of inter-state power flow in open access as there is not a single transaction is in practice.

3. Incentive/Penalty applicable in case of over/ under injection of Power

Sub para 6 of clause 3.4 briefed about the applicable Penalty in case of under injection within the limit of 12% of Power is Rs. 3/Kwh and for beyond the 12% is Rs. 4/Kwh, whereas the incentive for over injection within the limit of 12% is Rs. 4/kwh and nil thereafter. The applicable charges are subject to change may be reviewed periodically by the Commission through an Order.

We would like to request the Hon'ble Commission not to implement the above clause of applicable Incentive/Penalty applicable in case of over/ under injection of Power in the current scenario. It may be made applicable after 2 year based on the experience of inter-state sale and accuracies achieved in scheduling & Forecasting.

Fulfilments of RPO

4. Clause 4 of the Proposed Framework says that

"If the wind/solar energy generator injects more than the scheduled quantum then REC may be issued to the generator equivalent to the excess energy generated for the green component. If the wind/solar energy generator injects less than the scheduled quantum, then it would have to procure RECs from the Power Exchanges equivalent to the shortfall quantum"

It is our request to kindly remove the clause related to REC as it may reduce the interest of investor due to an uncertain risk of REC trading. It may be introduced in later stage after susses fully implementation of framework for applicable open access in inter-state.

The Hon'ble Commission in the proposed framework has also considered the rate for REC as Rs. 1.5/kWh. As per the CERC REC Regulation, the price for REC is within the band of Floor and Forbearance price. Presently, The Non-Solar RECs are being traded at Floor price (Rs 1.5/kWh) which may be traded on higher price in future trading sessions when the REC market revives.

5. Clarifications

1. Draft CERC framework says: "There may be a maximum of 16 revisions for each fixed one and half hour time slot starting from 00:00 hours during the day", and

   Draft Amendment to IEGC says: "There may be one revision for each time slot of one and half hours starting from 00:00 hours of a particular day subject to maximum of 16 revisions during the day"

   The above clauses are ambiguous and we request CERC to provide clarity and regularize the two statements. We request to the Hon'ble Commission to provide more clarity pertaining to the role and scope of forecasting and fee chargeable by the REMCs for providing the forecasting services.

2. In Point # 3.3 (CERC Framework), who's authority for provide Special energy Meters (SEMs) installation and weekly data transfer to RLDC. If Generator/Developer/Co-agency has to install this meter, whether they have the rights to receive the data in their system as real time for improve their forecast accuracy.

We would also request the Commission to provide an opportunity to present our suggestions in person during the proposed Public Hearing.

Thanking you

Yours faithfully

For Indian Wind Turbine Manufacturers Association

(D. V. Giri)

Secretary General