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By Speed Post

No Sr.GM (PP)-142/2016 1662 Dtd 28.12.16

To

The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building, 36Janpath,
New Delhi-110 001
Fax:- 011-23753923

Sub: -Views of GRIDCO on draft CERC (IEGC)(Fifth Amendment) Regulation, 2016

Ref: - CERC Notification dtd L-1/18/2010-CERC, Dtd 9.12.2016

Sir,

Enclosed please find herewith views/comments of GRIDCO on draft amendment CERC (IEGC) (Fifth Amendment) Regulation 2016 for kind consideration.

Thanking You.

Yours Faithfully,

Chief General Manager (PP)

VIEWS OF GRIDCO ON DRAFT AMENDMENT OF IEGC (FIFTH AMENDMENT)

6. Amendment of Part 6 of Principal Regulations:

a) Amendment to Regulation 6.5

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(iv) Clause 8 shall be substituted as follows:

8(a) Original Beneficiaries of an ISGS will have first right to give requisition for the URS power of the ISGS, Such original beneficiaries shall advice RLDCs, through their SLDC, regarding quantum of power and time duration of such drawal out of declared URS of the ISGS, by 8P.M. In case of full URS of an ISGS is requisitioned by more than one original beneficiary, RLDC shall allocate URS proportionately based on the share of these original beneficiaries in the ISGS.

Views of GRIDCO

GRIDCO is of the view that RLDC should allocate URS basing on the following conditions:

- i. When the total requisition for URS power of a particular station is less than or equal to the URS power available, requisitioning beneficiaries should get URS power as per their requisitioned quantum but not mandatorily in accordance with their shares in the ISGS.***
- ii. When the sum of the requisitions is greater than the URS power available, then RLDC shall allocate proportionately basing on the requisitioned quantum by the beneficiaries of the ISGS.***

8(c) ISGS may sell the balance URS power left after completion of the process of requisition by other original beneficiaries of the plant, in the market. The original beneficiary shall communicate by 12PM about the quantum and duration of such URS power to ISGS to enable ISGS sell same in the market. If the Original beneficiary fails to communicate to ISGS, then the ISGS shall be entitled to sell the URS power of the beneficiary in the market.

VIEWS OF GRIDCO

In this regard GRIDCO is of the opinion that this draft regulation is not clear, how this balance surrendered (unquestioned) power will be treated in case the original beneficiary intimated ISGS by 12 PM not to sell its surrendered quantum in the market i.e. whether it will remain surrendered to be called for by the original beneficiary as and when required as per the prevailing practice or this quantum shall be forcibly added to the drawl schedule of the original beneficiary even if the station is meeting its technical minimum without this power.

7. New Regulation 6.5 (A): New Regulation “6.5 (A)” shall be added after Regulation 6.5 as follows:

“6.5 (A) Scheduling and commercial settlement of energy exchanged under Ancillary services including Spinning Reserves and URS:

- d. In case of sale of un-requisitioned surplus power in market, the generator and the original beneficiary would share the realized gains in the ratio of 50:50. This gain shall be calculated as the difference between selling price of such power and fuel charge including incidental expenses. Subject to provisions to CERC tariff Regulations, the liability of fixed charge in such case shall remain with original beneficiary.

Views of GRIDCO

Following clarifications are required in the scenario of power sold through Power Market (Power Exchange):

- i. In case of sale of un-requisitioned power in power market by a generator, whether the same shall be sold in day ahead market of Power Exchanges only or also through Term-ahead Market.*
- ii. The methodology of determination of daily bid price as the market price, which varies on daily/ hourly basis may be clearly stipulated. In*

this context, it is to mention that beneficiary's URS may comprise of power of multiple stations having different rates.

- iii. Whether the generators shall seek confirmation from the beneficiaries on daily basis for the bid prices and the quantum before placing the bid at power markets.*
- iv. If at the end of the month, the per unit fuel cost of a particular station, billed by NTPC becomes more than the net realised per unit sale proceed, it is not clear from the draft regulation, who will bear the differential amount.*
- v. Similarly it is often seen that the fuel charge of NTPC stations get revised up to 20 paisa/kwh afterwards from that which was originally billed. Under such changing variable rate scenario clarification is required, at which energy charge rate (ECR) the sold power should be considered for settlement between NTPC and beneficiary (ies). It is not clear who would bear financial loss due to such upward revision in ECR. Further it may be clarified whether there should be any price cushion to take care of such probable upward revision, if any. The benefit sharing mechanism between the generator and the beneficiaries should be explained in a more elaborate manner.*
- vi. In case of a beneficiary, who is selling its surplus power through Power Exchange as a member, it is not clear from the draft regulations, how the beneficiary would be benefited more in case of sale of same surplus power through same Exchange by NTPC.*