



एनएलसी इंडिया लिमिटेड

NLC India Limited

(पूर्व में नेयवेली लिग्नाइट कॉर्पोरेशन लिमिटेड)

(Formerly Neyveli Lignite Corporation Ltd)

(भारत सरकार का 'नवरत्न' उद्यम)

Navratna – A Government of India's Enterprise

वाणिज्यिक विभाग/COMMERCIAL DEPARTMENT

निगमित कार्यालय/Corporate Office, ब्लॉक/Block-1, नेयवेली/Neyveli - 607801

ई-मेल/Email: [commercial@nlicindia.com](mailto:commercial@nlicindia.com), दूरभाष/Tel: 04142-253429, फैक्स/Fax: 04142-254429, 252645

Lr.No. NLC/Comml./ F1104/IEGC 2016-5thAmendment /'17 Dt:30.01.2017

To  
The Secretary,  
Central Electricity Regulatory Commission,  
3<sup>rd</sup> & 4<sup>th</sup> floor, Chanderlok Building,  
36, Janpath Marg,  
**NEW DELHI - 110 001 .**

Sir/Madam,

Sub: Draft CERC (Indian Electricity Grid Code) (Fifth Amendment)  
Regulations 2016 -Comments of NLCIL- Reg.

Ref: 1. No.L-1/18/2010-CERC Dated 9<sup>th</sup> December 2016

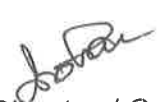
2. No. : L-1/18/2010/CERC Dated: 3rd January, 2017

In response to the Public notice cited in reference cited inviting comments on  
CERC (Indian Electricity Grid Code)(Fifth Amendment) Regulations 2016,  
NLCIL is filing its remarks vide this Affidavit enclosed.

The above may please be taken on record.

Thanking you,

Yours faithfully,  
for NLC India Ltd.

  
Executive Director / Commercial

Encl : As above

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FORM 1

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**NEW DELHI**

**IN THE MATTER OF:**

Draft CERC (Indian Electricity Grid Code) (Fifth Amendment) Regulations  
2016– Comments of NLCIL

**IN THE MATTER OF:**

NLC India Limited,  
First Floor, No.8, Mayor Sathyamurthy Road,  
FSD, Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600031,  
Tamil Nadu, India.

----- **RESPONDENT**

THE RESPONDENT HUMBLY STATES THAT:

**1.0 BACKGROUND:**

1.1 In exercise of Powers conferred under Section 79 read with Section 178 of the Electricity Act – 2003, the Hon'ble Commission notified the CERC (Indian Electricity Grid Code) Regulations 2010, effective from 03-05-2010 and since then has notified four Amendment Regulations to the Principal Regulations .

1.2 Hon'ble Commission has presently published Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fifth Amendment) Regulation, 2016 and through a Public Notice, has requested Comments/objections/suggestions on the same from the stakeholders by 31.01.2017 for which NLCIL is submitting its comments/views vide this affidavit.

2.0 NLCIL is submitting below its remarks on the 5<sup>th</sup> amendment proposed for IEGC-2010.

**3.0 NLC's REMARKS:**

**Regulation 2 of Principal Regulations**

**3.1 Regulation 2.1(sss) under the caption "Definitions":**

- *Part loaded generating capacity with some reserve margin that is synchronized to the system and is ready to provide increased*



*generation at short notice pursuant to despatch instruction or instantaneously in response to a frequency drop;*

### **3.1.1 Proposed Amendment of Regulation 2.1(sss) of Principal Regulations**

- *"The Capacity which can be activated on the direction of the system operator and which is provided by devices including generating stations/units, which are synchronized to the grid and able to effect the change in active power."*

### **3.1.2 NLCI Comments**

- Generally Spinning Reserve will be utilized during frequency drop in the grid caused by either generation loss or sudden increase in demand. System Operators will try to stabilize frequency at rated value by giving instruction to Spinning Reserve Providers to increase the generation (Active Power).
- The amendment is not specific whether the Spinning Reserve Providers have to respond for increase in Generation during frequency drop or have to respond in both directions (increase & decrease) for frequency variation. If it is in both directions, the change in active power shall be restricted between installed capacity and Technical Minimum of Generators.

### **3.2 Clause 5.2(f)(ii)(a) System Security Aspects - Governor Action in Principal Regulations**

- *There should not be any reduction in generation in case of improvement in grid frequency below 50.05 Hz (for example, if grid frequency changes from 49.9 to 49.95 Hz, there shall not be any reduction in generation). For any fall in grid frequency, generation from the unit should increase by 5% limited to 105 % of the MCR of the unit subject to machine capability."*

### **3.2.1 Proposed Amendment of Clause 5.2(f)(ii) (a) System Security Aspects - Governor Action of Principal Regulations**

- *"There should not be any reduction in generation in case of improvement in grid frequency below 50.05 Hz (for example, if grid frequency changes from 49.9 to 49.95 Hz, or from 50.00 to 50.04 Hz there shall not be any reduction in generation). For any fall in grid frequency, generation from the unit should increase as per generator droop upto a maximum of 5% of*



*the generation subject to ceiling limit of 105% of the MCR of the unit having regard to machine capability".*

### **3.2.2 NLCI Comments**

- Commission has given more clarity on RGMO action during rise in frequency within IEGC range 49.90 Hz to 50.05 Hz emphasizing with illustration that there should not be any reduction in generation for improvement in grid frequency below 50.05 Hz. To facilitate above action, the Deviation Settlement Mechanism (DSM) rate may be fixed at one value for ISGSs for the IEGC range of Grid Frequency (49.90Hz to 50.05Hz) synonymous to capping of DSM rate at Rs.3.03/Kwhr. for generators using Lignite / Indigenous Coal.
- Also, DSM rate may be made uniform to both the generator and the beneficiary, removing the cap for the generator.
- The Generators cannot exactly match the Actual Injection to the Generation Schedule issued by RLDC and the Actual Injection may be either above or below the Schedule. If the Actual Injection is above the schedule, there will be manual intervention to reduce the generation since DSM rate approaches and becomes zero value for the frequency at and above 50.05 Hz and improvement in frequency will be dampened. To avoid this and to be in line with RGMO action, above suggestion may be considered.

### **3.3 Part 6 - SCHEDULING AND DESPATCH CODE**

**Regulation 6.5 Scheduling and Despatch procedure for long-term access, Medium-term and short-term open access**

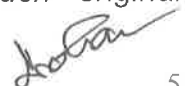
#### **Clause 6.5 (8) in Principal Regulations**

- *The SLDCs/ISGS shall inform any modifications/changes to be made in drawal schedule/foreseen capabilities, if any, to RLDC by 10 PM or preferably earlier.*

### **3.3.1 Amendment of Part 6 SCHEDULING AND DESPATCH CODE**

#### **Proposed Amendment of Clause 6.5 (8) in Principal Regulations**

- *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 advise RLDCs, through their SLDC, regarding quantum of power and time duration of such drawal out of declared URS of the ISGS, by 8 P.M. In case 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.

- 8(b) RLDCs to post the ISGS wise data of balance URS on its website by 9 P.M. after modifying the tentative net drawal schedule of the original beneficiaries after taking into account the URS requisitioned and associated transmission losses.
- 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 12 PM 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.
- 8(d) The URS which has been sold and scheduled by ISGS in the market (power exchange or through STOA) cannot be called back by the original beneficiary.
- 8 (e) After sale in market as under 8(d) above, if any power still remains under URS, the same may be requisitioned by the beneficiaries of the station.
- 8(f) By 6 P.M, each day, RLDC shall convey ex-power power plant dispatch to each ISGS for the next day after incorporating sale in market.
- 8(g) Any change in drawals/foreseen capacities shall be communicated to RLDCs by 10 P.M of the day prior to day of scheduling."

### 3.3.2 NLCI Comments:

- The amendment brought about by the Commission in Clause 8 in line with MoP Guidelines to encourage Trading of URS is a welcome measure. Clause 8(a) and 8(b) are noted in this regard.
- In clause 8 (c ), the first and second sentence may be connected with the word "for which" as suggested below for better clarity in the sequence of events.

*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, **for which** the original beneficiary shall communicate by*

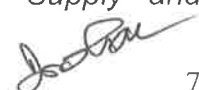


*12 PM about the quantum and duration of such URS power to ISGS to enable ISGS sell same in the market.*

- Also, the timeline for communication of URS by beneficiaries needs clarity as to whether it is 12:00 noon (D-1) in line with the proposed new timeline for DAM by accommodating G DAM or whether it is 12:00 midnight to meet the time line of the Tariff Policy i.e ISGS shall have the communication regarding un-requisitioned power from the procurers at least 24 hours before 0.00 hours of the day of scheduling. To avoid ambiguity, all timelines in the Regulation may be kept in 24:00 hour format only. Further all communications between ISGS and Beneficiaries shall be through RLDC only for better coordination.
- The new provision introduced in the Tariff Policy is to ensure better utilization of un-requisitioned generating capacity of generating stations and will improve capacity utilization of Station.
- Clause 8(g), "Any change in drawals/foreseen capacities shall be communicated to RLDCs by 10 P.M of the day prior to day of scheduling" may be modified and provision made **only for ISGS to intimate revision** due to forced outage of units. A separate clause may be introduced to freeze the revision of requisition by the beneficiaries. Without this Gate Closure to unlimited demand revisions, the objective of maximum capacity utilization stated in the Tariff Policy may not be achievable.
- Commission assigned the job to NLDC to prepare Detailed operating procedure for Reserve Shutdown of Generating Stations or Units in the Central Electricity Regulatory Commission in (Indian Electricity Grid Code) (Fourth Amendment) Regulations, 2016, which is reproduced below.

***"6.3 B – Technical Minimum Schedule for operation of Central Generating Stations and Inter-State Generating Stations:***

*6. NLDC shall prepare a Detailed Operating Procedure in consultation with the generators and beneficiaries at RPC forums within 2 months' time and submit to the Commission for approval. The Detailed Operating Procedure shall contain the role of different agencies, data requirements, procedure for taking the units under reserve shut down and the methodology for identifying the generating stations or units thereof to be backed down upto the technical minimum in specific Grid conditions such as low system demand, Regulation of Power Supply and*



*incidence of high renewables etc., based on merit order stacking."*

- The scheduling procedure in the draft amendment may be integrated with the NLDC operating procedure for Reserve Shutdown of Generating Stations or Units for better implementation of sale of URS power.
- However, it may be ensured that summation of the schedules of the beneficiaries shall not be below the technical minimum of the station.
- Also, in order to have a level playing field and to ensure economic operation, Intra-State ABT is to be implemented for State Generators also.

#### 4.0 PRAYER:

NLCI humbly requests the Hon'ble Commission

1. To take on record above comments submitted to the draft CERC (Indian Electricity Grid Code) (Fifth Amendment) Regulations 2016.
2. To pass such order (s) as deemed fit by the Hon'ble Commission.

Neyveli,  
30.01.2017.

  
RESPONDENT

**R. MOHAN**  
Executive Director / Commercial  
Corporate Office  
NLC INDIA Ltd., Neyveli-607 801.



தமிழ்நாடு தமிழ்நாடு TAMIL NADU

S. Suman 46AA 737627  
S. சிவக்குமார்

முதுகிதழ்தாள் விற்பனையாளர்  
R.C.No.9581 / E1/10-4  
சிவக்குமார் வீடு, T.P. கோடு  
வட்டம்-9, எழும்பேணி-607 601.

NLC India Ltd.

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16.12.2016

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FORM 2

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI

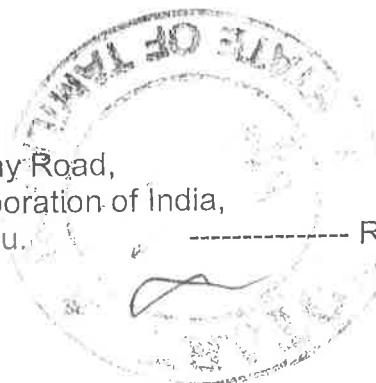
IN THE MATTER OF:

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IN THE MATTER OF:

NLC India Limited,  
First Floor, No.8, Mayor Sathyamurthy Road,  
FSD, Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600031, Tamil Nadu.

----- RESPONDENT



Affidavit verifying the reply:

I, R. Mohan, son of Shri. C.S. Rajagopalan, aged 59 years, residing at F17, R.P.Salai, Block 27, Neyveli -607 803, do solemnly affirm and say as follows:

I am the Executive Director/Commercial of the NEYVELI LIGNITE CORPORATION LIMITED, the Respondent in the above matter and am duly authorized by the said Respondent to make this affidavit.

- *Hon'ble Commission has published the Draft IEGC Fifth Amendment Regulations 2016.*
- *The Hon'ble Commission through a Public Notice has requested for Comments/objections/suggestions on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Fifth Amendment) Regulation, 2016 from the stakeholders for which NLCI is submitting its comments/views vide this affidavit.*

The statements made in FORM 1, containing a total number of 6 pages of the reply herein now shown to me are true to my knowledge and based on information and I believe them to be true.

Solemnly affirm at Neyveli on this day of 30.01.2017 that the contents of the above affidavit are true to my knowledge, no part of it is false and no material has been concealed there from.

  
**R. Mohan**  
**Executive Director / Commercial**

**R. MOHAN**  
Executive Director / Commercial  
Corporate Office  
NLC INDIA Ltd., Neyveli-607 801.

Identified before me by

