TPDDL/PSC/CERC/150519

15th May 2019

To,
The Secretary
Central Electricity Regulatory Commission
3rd and 4th Floor, Chanderlok Building,
Jan path, New Delhi – 110 001

Sub: Comments / Suggestions on behalf of Tata Power Delhi Distribution Limited on the Draft Fifth Amendment issued to CERC DSM Regulations.

Ref: (1) TPDDL Representation dated 26.02.2019;
(2) TPDDL Representation dated 04.04.2019; and
(3) Draft CERC DSM Regulations (Fifth Amendment) Regulations, 2019.

Sir,

At the outset, we are grateful for your humble indulgence in recognizing the difficulty in commercial implementation of the provisions introduced by way of the Central Electricity Regulatory Commission (Deviation and Settlement Mechanism and related matters) Regulations, 2018 (“Fourth Amendment”) and laying out the ground for rectifying the same.

We express our gratitude towards the Hon’ble Central Commission for consistently taking initiative towards maintaining grid discipline and stability as envisaged under the Indian Electricity Grid Code (“IEGC”) and Electricity Act, 2003, by issuing regulations in this regard.

This Hon’ble Commission in its attempt address the issues raised by the Tata Power Delhi Distribution Limited (“TPDDL”) in the implementation of the Fourth Amendment, has notified the Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019 (“Draft Fifth Amendment”).

It is humbly submitted that certain aspects which have been earlier highlighted by TPDDL, in its referred representation, may be considered while finalizing the said Fifth Amendment and may be subjected to the public hearing scheduled in this regard. It is submitted that non-availability of infrastructure necessary to effectively implement the DSM Amendment has to be made a pre-requisite to its enforcements. The key issues that merit consideration of this Hon’ble Commission are being set out as under:

A. Re. No responsibility on Transmission Utilities and Load Despatch Centres:
The responsibility of maintaining the grid discipline has been wrongly cast upon the Buyers and Sellers of Electricity alone under the proposed amendments to the Regulations. However, there are many factors which are beyond the control of Buyers and Sellers and can be better controlled by Transmission Utility and concerned Load Dispatch centers such as tripping of transmission system and scheduling of power within
four time blocks which has considerable impact on the execution of scheduling and dispatch plan set up by Sellers/Buyers.

B. *Re. Extraneous events resulting in under-drawl of electricity by Distribution Licensees:*
One of the main reasons due to which a DISCOM under-draw power is when a section of the load is disconnected due to tripping of transmission line or power transformers maintained by Central Transmission utility (CTU) or State Transmission utility (STU) which results in under-drawl of power. This situation is aggravated especially in case of Delhi since Delhi Distribution licensees procure bulk of the power from generating stations situated outside Delhi. Thus, Delhi Distribution licensees are dependent on CTU/STU for delivery of power. Moreover, distribution licensee/Buyer of electricity cannot account for such events in its scheduled planning unless intimated beforehand which is impossible since tripping cannot be predicted in advance. It was also submitted that since the tripping/fault occurs in the infrastructure of the CTU/STU, distribution licensee cannot take any action to reduce the same. It is therefore humbly requested that the DSM Amendment ought to carve out exception / exemption considering such eventualities being regularly faced by the distribution licensees.

C. *Re. Demand Forecasting and reasons contributing to frequent variation in the same:*
The distribution licensees such TPDDL cannot exercise control over the demand of electricity from the consumers of the state and the same time is statutory obligated to discharge its Universal Supply Obligation. Further, it is noteworthy that weather forecasting is limited to predicting general weather conditions which will prevail over a period of time. However, weather conditions like rain and/or storms especially their timings cannot be predicted accurately. It may be appreciated that the demand forecast is not within the control of a distribution licensee and is dependent on the real time market demand from the consumers. As per the prevailing market conditions, a clear gap of four hours is required for the distribution licensee to arrange power in case of over drawl by the consumers. Due to the aforesaid time lag of at least 4 hours, TPDDL has to either allow over drawl from the schedule resulting in deviation or resort to load shedding. Further, there are technical constraints like minimum technical limit, frequent tripping and transmission constrains like overload which affect the generating plant in long run.

In furtherance to above, it is humbly submitted that there are certain issues in the Draft Fifth Amendment, in its present form that severely hampers the economic interest of Distribution Utilities such as TPDDL without having any proportionate benefits to both the Central and State Grid. Therefore, it is necessary for this Hon’ble Commission to address these issues while deliberating on the Draft Fifth Amendment. This Hon’ble Commission may further appreciate that the distribution sector in India is already under huge financial stress and the Draft Fifth Amendment may further burden the Distribution Utilities such as TPDDL.
The fundamental objective that is desired to be achieved by the notification of amendments to DSM Regulations could not be achieved without synergizing the infrastructure required for its implementation.
In furtherance to above, the specific comments on the Draft Fifth Amendment are detailed in Annexure-I.

Thanking You.

Yours Sincerely,
For Tata Power Delhi Distribution Ltd.

Lalit Kumar Wasan
HOD (Power System Control)
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<thead>
<tr>
<th>S. No.</th>
<th>Proposed Amendment</th>
<th>Amended or Revised Regulation</th>
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<tr>
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<td>No Comments as these are definitions</td>
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<td>2.</td>
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<td>3.</td>
<td>&quot;said violation shall be applicable in case of 20% of the daily base DSM of the generator and additional charge of the charge for the discharge elements and 1% for schedule in every seven days during a day which one year may be notified by the Commission, the said deviation from the said schedule shall be deducted: Regulation 71 of the Principal Regulations&quot;</td>
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<td>6.</td>
<td>No Comments. We support this modification proposed by CERC</td>
<td>No Comments. We support this modification proposed by CERC</td>
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Under the new amendment as contained in the revised edition of the Regulations, the variance in frequency has increased further than stipulating the real objective of the Regulations. The variance in frequency has increased further than the real objective which is the provision of stable power.

4. We have further noted that the said provisions have not improved the grid frequency which is the real objective of the Regulations. The variance in frequency has increased further than stipulating the real objective which is the provision of stable power.

In the event of weather uncertainty, grid frequency loss is the result of the regulations of the grid operators. Hence, we believe that the provision of stable power is the real objective of the Regulations. Any deviation with respect to the provision of stable power is never planned whereas deviation occurs in many incidents. Hence, we believe that the deviation with respect to the provision of stable power is never planned whereas deviation occurs in many incidents. Hence, we believe that the deviation with respect to the provision of stable power is never planned whereas deviation occurs in many incidents.

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The proposed amendment is as under:
The said modification may herefore be removed altogether.

The scheduling of costly plans for deliberate under draw subsequent increase in power purchase would amount to violation of most ordered dispatch and increase in tariffs for our end consumers.

5. Abouton requirement of sign change despite being in permissible limits of deviation quantum.

6. This forces us to violate the fixed security in order to avoid sustained deviation penalty.

Example: We are in under drawl for continuous 12 hours block and need to change the sign direction.

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<th>Month</th>
<th>Standard Deviation</th>
<th>Proposed Amendment</th>
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<tr>
<td>Jan'19 vs. Jan'18</td>
<td>0.00542 vs. 0.00435</td>
<td>0.0517 vs. 0.0446</td>
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<tr>
<td>Feb'19 vs. Feb'18</td>
<td>0.00404 vs. 0.00384</td>
<td>0.0517 vs. 0.0446</td>
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<tr>
<td>Mar'19 vs. Mar'18</td>
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<td>0.0517 vs. 0.0446</td>
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Traffic and can lead to grid disruption rather than stabilizing the same.