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SHREE CEMENT LTD.

An ISO 9001, 14001, 50001 & OHS 18001 Certified Company

Regd. Office:

BANGUR NAGAR, POST BOX NO.33, BEAWAR 305901, RAJASTHAN, INDIA

Ref: SCL/JPR/CERC/898

08th October, 2021

The Secretary

Central Electricity Regulatory Commission

3 rd & 4 th Floor, Chanderlok Building,

36, Janpath, New Delhi- 110001

Sub: Comments on the Draft CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2021

Dear Sir,

Attached please find herewith our comments/ suggestions on Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021 and marked as Annexure-1, for kind consideration of the Hon'ble Commission.

Further, we would like to request the Hon'ble Commission to permit us an opportunity of hearing in the matter and enable us to present our views and to make addition at submission, if any, at the time of hearing.

Thanking You.

For **Shree Cement Limited**

(Amarjit Singh)

Asst. Vice President – Power Business

Encl.: As above

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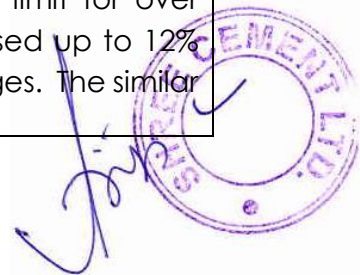
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Annexure -1 Comments on Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2021

S. No.	Amendment Proposed in Draft	Modified Proposed Amendment	Justifications/Comments									
2.	<p>Clause 8 Charges for Deviation (1) Charges for deviation in a time block by a seller shall be payable by such seller as under</p> <table><tr><td>Entity</td><td colspan="2">Charges for deviation payable to Deviation and Ancillary Service Pool Account</td></tr><tr><td>Seller</td><td>Deviation by way of over injection</td><td>Deviation by way of under injection</td></tr><tr><td>For a general seller other than an RoR generating station or a generating station based on municipal solid waste</td><td>(i) Zero up to 2% Deviation –general seller (in %); (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %)</td><td>(i) @ normal rate of charges for deviation up to 2% Deviation - general seller (in %); (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %).</td></tr></table>	Entity	Charges for deviation payable to Deviation and Ancillary Service Pool Account		Seller	Deviation by way of over injection	Deviation by way of under injection	For a general seller other than an RoR generating station or a generating station based on municipal solid waste	(i) Zero up to 2% Deviation –general seller (in %); (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %)	(i) @ normal rate of charges for deviation up to 2% Deviation - general seller (in %); (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %).	<p>Deviation by way of over injection</p> <p>For deviation upto 2% - Payment should be made to the Generators based on normal rate of charges.</p> <p>For deviation beyond 2% - Zero payment.</p> <p>Change in % of deviation by way of under injection</p> <p>Following change in % of deviation should be made:</p>	<p>It would not be possible to maintain the actual generation in perfect unity with the Scheduled generation. There are inherent variation in actual injection for which some margin should be allowed for over injection and payment for such over-injection should be made to the generators.</p> <p>There will be no incentive for any generator for doing over-injection beyond 2% as no payment will be received for such over-injection. However, penalty should not be imposed for over-injection beyond 2% of schedule as sometime it would not be in the hands of generators to operate below their technical minimum operation limit.</p> <p>In case of Buyer (with schedule up to 400 MW), The deviation limit for over drawal has been proposed up to 12% with normal rate of charges. The similar</p>
Entity	Charges for deviation payable to Deviation and Ancillary Service Pool Account											
Seller	Deviation by way of over injection	Deviation by way of under injection										
For a general seller other than an RoR generating station or a generating station based on municipal solid waste	(i) Zero up to 2% Deviation –general seller (in %); (ii) @ 10% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %)	(i) @ normal rate of charges for deviation up to 2% Deviation - general seller (in %); (ii) @ 110% of the normal rate of charges for deviation beyond 2% Deviation-general seller (in %).										



		<p>(i) Normal rate of charges for deviation <u>up to 12%</u> -general seller (in %);</p> <p>(ii) @ 110% of the normal rate of charges for deviation <u>beyond 12%</u>. Deviation- general seller (in %).</p>	principal should be made applicable for generators in case of under-injection.
2.	<p>Additional point to be inserted.</p> <p>The generators that are not covered under Reserves Regulation Ancillary Services (RRAS), would be compensated for over-injection, at average MCP discovered in Power Exchange for that day, during the time blocks when the grid frequency is below 50.0 Hz.</p>		<p>There are many generators which are not falling under category of Reserves Regulation Ancillary Services (RRAS) as provided in CERC (Ancillary Services Operations) Regulations, 2015, but still would be in a position to help in maintaining and stabilizing grid when the frequency is below 50.0 Hz. Therefore, these generators should be rewarded for over injection at average MCP discovered at power exchange for that day when the frequency is below 50.0 Hz.</p>

