

Ref.: APMuL/CERC/17072021

Date: 17.07.2021

To

The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok Building,
36 Janpath, New Delhi – 110001

Sub.: Comments on Notification vide Public Notice No. RA-14026(11)/3/2019-CERC, dated 29 May 2021, in respect of Draft CERC (Ancillary Services) Regulations, 2021

Dear Sir,

With reference to the comments invited by the Hon'ble Commission, on the above mentioned Notification, we hereby submit our comments on the same with a request to kindly take the same on record.

Thanking You,

Yours Sincerely,

For **Adani Power (Mundra) Limited**



Authorized Signatory

Encl: As mentioned above

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Comments on Draft CERC (Ancillary Services) Regulation, 2021

Sr. No.	Clause/Statement in Draft Regulation	Comments/Suggestions by Adani Power (Mundra) Ltd.
1.	<p>Clause 20 (1)</p> <p>20. Shortfall in Procurement of SRAS and TRAS or Emergency Conditions <i>In case of shortfall</i></p> <p>(1) All generating stations, whose tariff is determined by the Commission under Section 62 of the Act and having URS power after Gate Closure, shall be deemed to be available for use by the Nodal Agency for SRAS-Up or SRAS-Down or TRAS-Up or TRAS-Down, subject to technical constraints of such generating stations.</p>	<ul style="list-style-type: none"> It is submitted that generators governed by Section 63 of the Electricity Act, 2003 who are willing to participate in the process should also be considered for meeting shortfall.
2.	<p>Clause 20 (2), (4), (5) and (6)</p> <p>20. Shortfall in Procurement of SRAS and TRAS or Emergency Conditions <i>In case of shortfall</i></p> <p>(2) The generating stations as referred to in clause (1) of this Regulation, whose URS is despatched as SRAS-Up shall be paid their variable charge in terms of clause (1) of Regulation 11 and incentive in terms of Regulation 12 of these regulations.</p> <p>.....</p> <p>(4) The generating stations as referred to in clause (1) of this Regulation, whose URS is despatched for TRAS-Up, in the event of short-fall in procurement of TRAS-Up through the Market, shall be paid at the rate of their variable charges for the quantum of TRAS-Up despatched.</p> <p>(5) The generating stations as referred to in clause (1) of this Regulation, if despatched for TRAS-Down, shall pay back at the rate of their variable charges, corresponding to the quantum of TRAS-Down despatched.</p> <p><i>In case of emergency conditions</i></p> <p>(6) In case the Nodal Agency requires any generating station to provide Ancillary Services to meet the emergency conditions for reasons of grid security as per the provisions of the Grid Code, such generating station shall be compensated at the</p>	<ul style="list-style-type: none"> For providing SRAS and TRAS service during shortfall or emergency, compensation shall be higher of MCP or variable charge to incentivize the service provider.

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	rate of the energy charge as determined under Section 62 of the Act or adopted under Section 63 of the Act, or at the rate of the compensation charge declared by the AS provider, as the case may be.	
3.	<p>Clause 23 2 (a) & Clause 23 2 (b)</p> <p>(2) The Detailed Procedure shall contain the operational aspects of SRAS and TRAS including, but not limited to,</p> <p>(a) bi-directional communication system as referred to in sub-clause (a) of clause (1) of Regulation 7 of these regulations;</p> <p>(b) metering and SCADA telemetry for monitoring and measurement of energy delivered under SRAS as referred to in sub-clause (d) of clause (1) of Regulation 7 of these regulations;</p>	<ul style="list-style-type: none"> Based on the features provided in the new regulation, additional CAPEX may be required for implementation. For the sake of abundant clarity it may be clarified that such Capex will be adequately compensated through tariff.
4.	<p>10. Selection of SRAS Providers and Despatch of SRAS</p> <p>(6) The Custom Participation Factor shall be calculated as specified in Appendix-I of these regulations.</p> <p>(7) SRAS shall be despatched on regional basis through secondary control signals by the Nodal Agency.</p> <p>...</p> <p>APPENDIX – I:</p> <p>...</p> <p>SRAS signal shall be allocated among the SRAS Providers to meet SRAS requirement of the system based on the normalised Custom Participation Factor subject to the ramp limited resources available with the SRAS Provider(s). A sample illustration with five (5) SRAS Providers (A, B, C, D and E) for calculation of Custom Participation Factor has been shown in Table-1 and Table-2.</p>	<ul style="list-style-type: none"> SRAS-Down and SRAS-Up services as shown in the illustration are dispatched with all five SRAS Providers in proportion to the Normalised Custom Participation Factor (NCPF) subject to ramp limited capacity. This proportionate dispatch algorithm of dispatch may not be an economically efficient way of utilizing the SRAS Services. Therefore, It is proposed that the highest NCPF SRAS provider be dispatched to its maximum ramp limited capacity and the rest of the SRAS requirement be filled by the second highest NCPF SRAS Provider and so on. Further, the Hon’ble Commission is requested to issue clarification on the Despatch algorithm illustrated.

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5.	<p>15. Activation and Deployment of TRAS</p> <p>TRAS shall be activated and deployed by the Nodal Agency on account of the following events:</p> <p>(a) In case the secondary reserve has been deployed continuously in one direction for fifteen (15) minutes for more than 100 MW, in order to replenish the secondary reserve;</p> <p>(b) Such other events as specified in the Grid Code.</p>	<ul style="list-style-type: none"> The Hon'ble Commission may clarify if the TRAS provider has to take consent from its original beneficiary before participating in the TRAS DAM market because for entities having PPA or any other arrangement of tied up capacity, the first right of refusal is available with the beneficiaries of such PPA.
6.	<p>22. Transmission Charges and Losses</p> <p>No transmission charges or transmission losses or transmission deviation charges shall be payable for SRAS and TRAS.</p>	<ul style="list-style-type: none"> While the waiver of transmission charges, transmission losses and transmission deviation charges for SRAS and TRAS providers is appreciated, however, it is a possible that some SRAS and TRAS providers are connected to the Intra-State Transmission network, which would mean that they would be subject to Intra-State Transmission charges and losses. Therefore, suitable directions need to be issued to the State Regulatory Commissions so as to provide such waivers at intra-State level. Further, the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 may be suitably amended to include such waivers of transmission charges and losses as part of these Regulations.
7.	<p>Additional Comments</p>	<ul style="list-style-type: none"> It is submitted that Indian Electricity Grid Code Regulations as well as the Detailed Procedure needs to be specified along with the Ancillary Services Regulations, 2021 in order to enable effective implementation of the same. Incentive mechanism for Primary response shall also be explored as a primary ancillary service provider.

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		<ul style="list-style-type: none"> • Clarity is required as to how the commercial accounting would be carried out if a Generator is participating in SRAS, and also if they are part of Primary response through RGMO. • Estimating incentive payments, calculated for every 5 minutes in absolute terms, can be a concern because of errors between derived MWh from SCADA data and Metering data. Typically, the error can range between 1% to 5%. Similar concern would be there while accounting and settlement of SRAS & TRAS. • Considering that Energy Meters are available offering sampling at every alternate second and the fact that metering data can also be communicated to SLDCs / RLDCs on Real time basis, incorporating metering data itself for incentive payments and accounting / settlement of SRAS & TRAS will bring in required accuracy. • While SRAS is Supplementary corrective action needed to bring frequency back to 50 Hz & Secondary reserves are deployed primarily to correct the Area Control Error (ACE), there remains a possibility of conflicting operations of Primary and Secondary responses. E.g. contingency (demanding Primary Response) when secondary response measures are active.