

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.249/MP/2023**

- Subject : Petition under Regulation 24 and 25 of the Central Electricity Regulatory Commission (Ancillary Service) Regulations, 2022 seeking directions for advance procurement and despatch of 150 MW/ 300 MWh Battery Energy Storage Systems out of 500 MW /1000 MWh (2 hour storage) standalone ISTS connected BESS Pilot Project at 400/220 kV Fatehgarh-III (Rajasthan) substation of Northern Region.
- Petitioner : National Load Despatch Centre (NLDC)
- Respondents : Solar Energy Corporation of India Limited (SECI) and 3 Ors.
- Date of Hearing : **20.12.2023**
- Coram : Shri Jishnu Barua, Chairperson  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Parties Present : Shri Gajendra Sinh, NLDC  
Shri Debajyoti Majumder, NLDC  
Shri Subhendu Mukherjee, NLDC  
Shri Aman Anand, Advocate, JREFL  
Shri Aman Dixit, Advocate, JREFL  
Ms. Natasha Debroy, Advocate, JREFL  
Shri Rakesh Rathore, JREFL  
Ms. Anusha Nagarajan, Advocate, SECI  
Ms. Mandakini Ghosh, Advocate, SECI  
Ms. Aakanksha Bhola, Advocate, SECI  
Shri Amit Kumar, SECI  
Shri Mudit Jain, SECI  
Shri Siddharth Sharma, CTUIL

**Record of Proceedings**

The representative of the Petitioner, NLDC, submitted that on the various aspects/issues in relation to the Petitioner's proposal to implement the grid ancillary portion of the Battery Energy Storage System (BESS) vis-à-vis the conditions of RfS documents, a consensus has been reached among the parties and the Petitioner has already filed its rejoinder. The representative of the Petitioner further submitted that subject to the submissions of the Respondents, if any, the Commission may reserve the matter for order.

2. Learned counsel for the Respondent, JSW Renew Energy Five Limited (JREFL) submitted that there are no outstanding/surviving issues *qua* Respondent.

3. Learned counsel for the Respondent No.1, SECI submitted that there are certain aspects/issues, which may require this Commission's consideration and the Petitioner, in its rejoinder also, has left it to this Commission to pass a suitable

direction on these aspects/issues. Learned counsel while pointing out such aspects/issues, mainly submitted as under:

(a) As per the RfS, the charging and discharge of the BESS was under the scope of the Buying Entity, i.e. NLDC, to the extent of capacity allotted for ancillary services. The Petitioner has, however, proposed that the responsibility of charging and discharging of the BESS would be that of SECI. SECI is agreeable to undertake the said responsibility subject to an additional trading margin of Rs.0.07/kWh in addition to 0.5% of applicable capacity charges.

(b) As per the RfS, under which the role of SECI was limited to that of an aggregator, SECI is entitled to a trading margin from the end procurer at the rate of 0.5% of the monthly Capacity Charges of Rs. 10,83,500/MW/Month as discovered through the bid process. However, if SECI is to undertake the responsibility of charging and discharging the BESS, it ought to be allowed the additional trading margin of Rs.0.07/kWh.

(c) The Guidelines for Procurement and Utilisation of the BESS as part of the Generation, Transmission and Distribution assets, along with the Ancillary Services dated 10.3.2022 ('BESS Guidelines') as notified by the Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 also provide for the trading margin on an energy basis (7 paise/kWh) and capacity basis (0.5% of Capacity Charges) from the Buying Entity/Procurer for purchase and sale of such energy/capacity. Thus, the trading margin of Rs.0.07/kWh and 0.5% of capacity charges are in line with the BESS Guidelines.

(d) In the Minutes of the Meeting on "Status of SECI 1000 MWh BESS", as held under the Ministry of Power, Govt. of India, it had been agreed that there would be a separate trading margin for the energy charges and fixed charges. However, at that time, it was proposed that NVVN would be undertaking the sale/ purchase, scheduling, accounting and settlement on behalf of the Petitioner and accordingly, would receive the trading margin for the energy charges. However, presently, it has been proposed that SECI would undertake such activities.

(e) The Ministry of Power, Govt. of India has approved the payment of a grant from the Power System Development Fund (PSDF) to SECI to the tune of Rs. 80 crore for the Discoms portion and grant of Rs. 30 crore for the ancillary services portion on an annual basis. The Petitioner has, in a proposed methodology for payment of capacity charges on a weekly basis already factored in/deducted this grant of Rs. 30 crores from the PSDF. However, this grant from the PSDF is not on an advance basis, and it is, therefore, necessary that SECI be paid applicable capacity charges upfront fully on a weekly basis, which may be adjusted once a grant from PSDF is received.

(f) The Petitioner has not indicated its willingness to execute the Battery Energy Storage Sale Agreement with SECI as required under the provisions of the RfS as well as the BESS Guidelines.

4. In response, the representative of the Petitioner submitted that the Petitioner, in its rejoinder, has already pointed out the aspects on which the Commission may pass a suitable direction. He further submitted that insofar as the grant from PSDF is concerned, the release of the grant for the Discoms portion on an 'advance' basis is specifically mentioned, but the same provision (for advance release of grant) is not

there in respect of 'ancillary services' portion. The Petitioner has accordingly requested SECI to take up the above aspect with the PSDF committee.

5. In response to the specific observation of the Commission that the BESS Guidelines provide for only one trading margin - either at Rs.0.07/kWh or 0.5% of capacity charges, the learned counsel for Respondent, SECI submitted that since SECI is required to take additional responsibilities of scheduling, procurement, charging and discharging of BESS, it ought to be allowed the trading margin at Rs. 0.07/kWh, in addition to 0.5% of Capacity Charges, for carrying out such responsibilities. The representative of the Petitioner mentioned that NLDC has no objection to the SECI's proposal for trading margin of Rs.0.07/kWh. However, SECI pointed out that it has not made such a categorical statement in its written submissions.

6. Considering the submissions made by the representative of the Petitioner and learned counsel for Respondents, the Commission directed the Petitioner and Respondents to file their comments on the following aspects on an affidavit within three weeks:

(i) Consensus among the parties on various issues, including the trading margin and the BESS Sale Agreement;

(ii) Revised procedure for scheduling, metering, accounting and settlement for grid Ancillary Portion of (150 MW/ 300 MWh) of the BESS Pilot Project as per the consensus among the parties;

(iii) Details along with illustrative examples regarding the accounting and deployment of the BESS under different routes;

(iv) Details regarding the methodology proposed for the treatment of DSM for BESS at the aggregate level with separate accounting of different contracts under the Pilot Project;

(v) Status of the PSDF grant payment on the advance basis for the Pilot Project;

7. The Petition will be listed for the hearing on **10.2.2024**.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**