

West Bengal State Electricity Transmission Company Limited

(A Government of West Bengal Enterprise)



CIN: U40101WB2007SGC113474, Website: www.wbsetcl.in.
Registered Office: Vidyut Bhavan, Block-DJ, Sector-II,
Bidhannagar, Kolkata -700 091.

WBSETCL

☎: 033-2359-2050; ✉: Subimal.roybarman@wbsetcl.in

Memo No: Dir(Opr.)/WBSETCL/ACE/RAC/ 345

Dated: 28-5-15

To
The Secretary,
Central Electricity Regulatory Commission,
3 rd & 4 th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001.
Fax: 91-11-23753923.

Sub: Comments / suggestions / objections of WBSETCL on "Draft Central Electricity
Regulatory Commission (Ancillary Services Operations) Regulations, 2015".

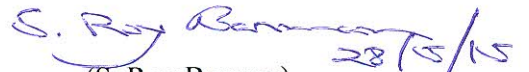
Ref: Public notice no. 18/1/2013 – Reg. Aff (AS Reg.)/CERC dated 01.05.2015.

Sir,

With reference to the above, we submit herewith the Comments of WBSETCL on your
"Draft Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations,
2015" for kind consideration of the Hon'ble Commission. The matter is already mailed to your
following e-mail address: info@cercind.gov.in.

Encl: As above (2 pages).

Yours faithfully,


(S. Roy Barman)
Addl. Chief Engineer, RAC

Observation of WBSETCL on Draft CERC (Ancillary Service Operations) Regulations, 2015.

Sl no	Reg No	Description
1.	2.m	<p>Regulation: "Reserves Regulation Ancillary Services Provider" means the inter-State Generating Stations (ISGSs) having un-requisitioned surplus and eligible to participate in the Reserves Regulation Ancillary Services</p> <p>Observation of WBSETCL: From the definition of RRAS given in Reg 2.L, there are two types of service it. Regulation down and regulation up. Generators having un-requisitioned surplus are suitable for only Regulation up service, whereas for regulation down generators with full loading are suitable. Hence the definition should consider all other generators want to provide regulation down service.</p>
2.	5.1	<p>Regulation: All Inter-State Generating Stations whose tariff is determined or adopted by the Commission and are operating on part load and which have not received full requisition shall be eligible to participate for providing the Reserves Regulation Ancillary Services.</p> <p>Observation of WBSETCL: The generators willing to participate in Regulation down service are need to be included for obvious reasons.</p>
3	6.1	<p>Regulation: Nodal Agency shall prepare merit order stack of un-requisitioned surplus capacities of Inter-State Generating Stations willing to participate in this mechanism based on the variable cost of generation, Declared Capacity and take despatch decision.</p> <p>Observation of WBSETCL: From Reg 13.3 and para 3.11.1 of explanatory memorandum it is evident that RRAS providers have to be paid both fixed and variable charge, then why merit order stack will be only on variable cost? We think total cost (variable + fixed) is to be considered while preparing merit order stack.</p>
4	After 6.6	<p>Observation of WBSETCL: There should be a provision in regulation 6 that Nodal Agency should also intimate the instruction of starting RRAS service to RLDCs and the regional entities.</p>
5	13.2	<p>Regulation: The payment to Reserves Regulation Ancillary Services provider shall be from the Regional Deviation Pool Account Fund.</p> <p>Observation of WBSETCL: When Electricity Act 2003 is suggesting for competition and economic decision and we are trying to reduce cross-subsidy concept, payment of RRS charge from the pool account is not justified, except in the case related to common cause like black-start, etc.</p> <p>Even analyzing the case study provided in Explanatory memorandum it was observed that the all entities are not benefitted in similar way (when Himachal Pradesh payable reduces by 19 Lakh, Punjab has to pay additional 3.4 Lakhs). <u>Hence the cost of Ancillary service is to be shared among the entities according to the benefit derived by them.</u></p>

S. Roy Barman
28/5/15

Dr. S. Roy Barman
Addl. Ch. Secy
RAC,
Vidyt Bha
Sta-91

		<p>Otherwise the entities who have taken initiative towards frequency control by way of load shedding ect. will be unduly penalized.</p> <p>Further Commission in deviation settlement mechanism regulation has expressed its view towards come out from UI concept gradually, with the process of narrow down the frequency band. And now relying on UI pool account for payment to RRAS providers is somewhat stepping backward.</p>
6	13.3	<p>Regulation: The Reserves Regulation Ancillary Services provider shall be paid at their fixed and variable charges, with markup as decided by the Commission through a separate order from time to time in case of Regulation Up services for the quantum of Reserves Regulation Ancillary Services scheduled from the Regional Deviation Pool Account Fund.</p> <p>Observation of WBSETCL: The markup will be on variable charge only or on both fixed and variable charges. The term 'markup' and its basic principle needs to be defined in this regulation for the sake of completeness and clear understanding.</p>
7	13.6	<p>Regulation: The Reserves Regulation Ancillary Services provider shall adjust the fixed charges to the original beneficiaries in proportion to the quantum scheduled from generating station.</p> <p>Observation of WBSETCL: When there is a mark-up allowed by the Commission on fixed charges, the benefit due to mark-up should also be passed on to the beneficiaries.</p>
<u>Explanatory Memorandum</u>		
8	Annexure-II	<p>Implication of the case study and the Interference drawn are too simple to come to a generalized conclusion. A detail observation of the case study is attached herewith.</p> <p>Identifying the impact of four time block (1 hour) from a weekly deviation system of a dynamic network is quietly impossible. Hence, It is also suggested to provide more detailed study related to Schedule, actuals, deviation statement of all regional entities, network conditions etc. in those particular blocks. Otherwise it is impossible to give any comment on the merit or demerit of the process.</p> <p>However our observation / difficulty faced on the case study may be evident from the sheet attached.</p>

page 2 of 2

S. Roy Barman
22/5/15

Dr. S. Roy Barman
Addl. Chief Engineer
RAC, WBSETCL
Vidyut Bhavan, Kolkata-91