

17th May 2019

The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chandralok Building,
36, Janpath, New Delhi-01

Subject: - Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019 - comments / suggestions / objections.

Dear Sir,

AD Hydro Power Plant is operating 192MW Run-of-River Hydro Electric project at Manali, Himachal Pradesh and energy from this project is being sold on Merchant basis since commissioning. Our comments / suggestions / objections on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019 are as under

1. ADHPL is a run of the river scheme with small pondage of about 2,20,000 cum which is just sufficient to run both the units at 192 MW for less than 2:30 hours. It is almost must run HEP. The mandatory negative sign reversals during the peak season would result in generation loss which would be a national loss.
The sign reversals are practicable only for Hydro Power Plants where large storage dams exist and therefore, **hydro power stations with small pondage should be exempted from sign reversal.**
2. **Limits on Deviation Volume:** As Hydro power generators are generally schedules its power on Day-ahead, Week-ahead and Month-ahead basis, which are generally based on the availability of water in previous period. In case of quantum revision, the accepted schedules are not allow to change in real time basis for those selling its power under Short Term Open Access (STOA). Further, the run of the river based projects are mostly to generate energy as per the availability of water and their generation may vary accordingly.

Current Guidelines does not provide any exemption to hydro power plants in schedule revision due to which sustainable/ additional charges of deviations impacts Hydro power projects adversely in comparison to Thermal power projects. This is not fair and equal treatment is not given to calculation of deviation charges for hydro projects. Therefore, **Draft Guidelines should provide to Hydro projects with small pondage exemption from Sustainable/ additional Deviation.**
3. As per the 5th amendment, up to 31.03.2020, if the sustained deviation from schedule continues for 12 time blocks, the regional entity (buyer or seller), shall correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 13th time block. And From 01.04.2020, if the sustained deviation from schedule continues for 6 time blocks, the regional entity (buyer or seller), shall correct its

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position, by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 7th time block.

In order to avoid the sustained deviation, this sign reversal on the positive side has to be done even if the frequency is more than 50.05 Hz and also on negative side if the frequency is less than 49.85 Hz. As per IEGC, the generator is not allowed to inject more power during high frequency situations but the DSM 4th & 5th amendments are contradictory in this regard when +ve sign reversal needs to be performed even during high frequency time blocks. **We request Hon'ble commission to wave off the sign reversal conditions, when frequency is more than 50.05Hz or lower than 49.85Hz.**

4. As per clause 4.5.(a) of draft guidelines states that "Up to 31.03.2020, if the sustained deviation from schedule continues for 12 time blocks, the regional entity (buyer or seller), shall correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 13th time block. Provided that each violation of the requirement under this clause shall attract an additional charge of 10% on the time block DSM payable/ receivable as the case may be."

We request Hon'ble commission to Clarify that additional charges of 10% is applied on daily DSM payable/ receivable or on the particular time block of DSM payable/ receivable.

5. As per clause 4.5 (b) which states that

"From 01.04.2020, if the sustained deviation from schedule continues for 6 time blocks, the regional entity (buyer or seller), shall correct its position, by making the sign of its deviation from schedule changed or by remaining in the range of +/- 10 MW with reference to its schedule, at least once, latest by 7th time block.

Provided that violation of the requirement under this clause shall attract an additional charge as specified in the table below:

No. of violations in a Day	Additional Charge Payable
From first to fifth violation	For each violation, an additional charge @ 3% of daily base DSM payable/ receivable
From sixth to tenth violation	For each violation, an additional charge @ 5% of daily base DSM payable /receivable
From eleventh violation onwards	For each violation, an additional charge @ 10% of daily base DSM payable/ receivable

Provided further that counting of number of sign change violations under clauses (a) & (b) of this Regulation shall start afresh at 00.00 Hrs. for each day.

Provided also that payment of additional charge for failure to adhere to sign change requirement as specified under clauses (a) & (b) of this regulation shall not be applicable to:

- renewable energy generators which are regional entities
- run of river projects without pondage
- any infirm injection of power by a generating station prior to CoD of a unit during testing and commissioning activities, in accordance with the Connectivity Regulations.
- any drawal of power by a generating station for the start-up activities of a unit.



e. any inter-regional deviations.


f. forced outage of a generating station in case of collective transactions on Power Exchanges."

Ministry of Power (MoP) has approved Large Hydropower Projects to be declared as Renewable Energy source as per their office memorandum dated 8th March 2019. As Large Hydropower Projects are now notified as Renewable Energy Source, Hon'ble commission is kindly requested to clarify on the aforementioned Clause 4.5 (b) (a). Does it mean that all hydropower projects which are regional entities are now exempt from any additional charge for failure to adhere to sign change requirement as specified under clauses (a) & (b) of draft 5th amendment DSM regulation?

Thanking you

Yours faithfully

For **AD Hydro Power Limited**



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