

Ref No. CERC/

Date: 01<sup>st</sup> May 2019

To,

Shri Sanoj Kumar Jha,  
Secretary,  
Central Electricity Regulatory Commission (CERC)  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath,  
New Delhi-110 001

Email Id: secy@cercind.gov.in

**Subject: Comments / Suggestions on Draft Central Electricity Regulatory Commission  
(Deviation Settlement Mechanism and related matters) (Fifth Amendment)  
Regulations, 2019**

**Ref: CERC Public Notice no. L-1/ 132 /2013 - CERC dated 18<sup>th</sup> April 2019**

Dear Sir,


This is with reference to the above referred public notice vide which CERC had invited comments / suggestions from all the stakeholders in reference to the subject cited draft amendment.

In this matter, please find enclosed (Annexure I) with relevant comments / suggestions from our end.

It is requested to consider the detailed points while finalizing the subject cited regulation.

Thanking You,

Yours Sincerely,

  
01 May 2019  
(Janmejaya Mahapatra)  
Chief Executive Officer

**Enclosure: Annexure – I: Comments / Suggestions on Draft Central Electricity Regulatory  
Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment)  
Regulations, 2019**

## Annexure - I

### Comments / Suggestions on

### **Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019**

#### **1.0 General**

The proposed 5<sup>th</sup> Amendment to the DSM & Related matters Regulations have tried to address the grave operational difficulties being faced by both the Generators as well as the Beneficiaries in maintaining the agreed schedule. The fact is that the schedule as well as the corresponding actual injection are average of the energy in a 15 minute time block. To count positive or negative differences, however small they might be, as positive or negative deviations, was excessively demanding of the buyers and the sellers in maintaining the schedule. The dead band (of +/- 10 MW) introduced is a very welcome step.

In this regard the following few observations on the **Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019** may kindly be considered.

#### **2.0 Chapter – 3: Connectivity – Regulation 8: Grant of Connectivity**

2.1 Proviso to clause (6) of Regulation 7 of the Principal regulations state as follows:

*Provided further that Additional Charge for Deviation for under-injection of electricity by a seller, during the time-block when grid frequency is "below 49.85 Hz", by the generating stations regulated by CERC using coal or lignite or gas supplied under Administered Price Mechanism (APM) as the fuel in accordance with the methodology specified in clause 8 of this regulation shall be equivalent to 100% of the Cap Rate of 303.04 Paise/kWh.*

This amendment has done away with, and rightly so, any discrimination between generating stations based on either fuel type used or the whether its tariff is determined by the Commission or not. Accordingly, it is

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therefore suggested that the above provision should also be simplified to unambiguously incorporate the same and therefore, rephrase as follows:

*Provided further that Additional Charge for Deviation for under-injection of electricity by a seller or a generating station, irrespective of fuel type and whether the tariff of such generating station is regulated by the Commission or not, shall be equivalent to 100% of the Cap Rate of 303.04 Paise/kWh.*

## 2.2 Clause (10) of Regulation 7 :

A dead band of +/- 10 MW has been proposed in the draft regulations while evaluating the period of sustained deviation.

This dead band is irrespective of the installed capacity or the agreed schedule of the station. So, a 100 MW station with an agreed schedule of 70 MW gets the same margin of +/- 10 MW as does a station of capacity 1000 MW.

Accordingly, the following changes are suggested:

- The stipulations be changed as “+/- 2% or +/- 10 MW whichever is higher”, so that essence of this amendment (of recognising the operational constraints) is adequately captured.
- While calculating the number of blocks of sustained deviation the blocks of ramp up and ramp down, to meet a revised schedule or while going for a planned shutdown, shall be kept out of consideration.

