टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED
(भारत सरकार एवं उ.प्र.सरकार का संयुक्त उपक्रम)
(A Joint venture of Govt. of India & Govt. of UP)
CIN : U45203UR1988GOI009822

No: THDC/RKSH/COMML/C-01/51/ 459
Date: 15.05.2019

To,

Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor,
Chanderlok Building,
36, Janpath,
New Delhi - 110 001

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

Ref: CERC's Public Notice no. L-1/132/2013/CERC Date: 18 April , 2019.

Sir,

This has reference to the Hon'ble CERC's Public Notice dtd.18.04.2019, vide which comments/ suggestions/ objections from the stakeholders on Draft Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019, have been invited.

As desired, comments/ suggestions/ objections on the draft Regulations are enclosed herewith for your kind perusal

Thanking you,

yours faithfully,
for & on behalf of THDC Ltd.

15/5/19

(A.K.Porwal)
General Manager (Commercial)

Encl: as above.

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("हिन्दी को राजभाषा बनाना, भाषा का प्रश्न नहीं अपितु देशाभिमान का प्रश्न है")

THDCIL's COMMENTS ON DRAFT DEVIATION SETTLEMENT MECHANISM AND RELATED MATTERS) REGULATIONS, 2019.

Sl. No.	Draft Sl. No.	As per Draft Amendment	Proposed Comments	Remarks
1	4.5	"In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such entity shall correct its position in the manner as specified under clauses (a) and (b) of this Regulation.	"In the event of sustained deviation from schedule in one direction (positive or negative) by any regional entity (buyer or seller), such entity shall correct its position in the manner as specified under clauses (a) and (b) of this Regulation.	It has been mentioned in the draft Regulation, that sustained deviation exceeding 10 MW (for 12 blocks till March' 2020 & 6 Blocks thereafter) shall be subjected to additional penalty.
		(a) 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 by13th time block.	(a) 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 **+/- 5%** with reference to its schedule, at least once, latest by13th time block.	It is submitted, that for plants with higher generation capacity, the margin of 10 MW seems to be comparatively less. Since deviation in any block may also be effected by unit operation in accordance to compliance of other regulations such as RGMO (as per IEGC Regulation 5.2(f)(ii)(a) of part V), FRAS etc. Thus the margin of 10 MW may be suitably increased in the range of +/- 5% with reference to its schedule of generating station.
		(b) 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.	(b) 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 **+/- 5%** with reference to its schedule, at least once, latest by 7th time block.	**For example:** If the Grid frequency is continuously decreasing (i.e. from 50Hz to 49.4Hz) in certain blocks from t1 onwards, and then subsequently increases to 49.8Hz in to 7th block & remain stable thereon, the generation shall not bring back as per IEGC and remain constantly high upto 5% of schedule generation as per droop in the entire time block from t1 to t7. In case of Tehri it would be around upto 50MW. In view of the above, the deviation range of ± 10MW may be substituted by ±5% of schedule generation so that IEGC regulations may also be adhered to. In Tehri HEP it is not possible to change the power set point while operating under RGMO mode of operation. Therefore, RGMO mode requires to be disabled in order to adhere to clause 10 of Regulation 7 of this DSM regulation. In this regard, provision may be incorporated for disabling the RGMO once in any complete time block specified under clauses (a) and (b) of this Regulation to adhere to sign change requirement as specified under clauses (a) & (b) of this regulation.

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2	4.5	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: a. renewable energy generators which are regional entities b. run of river projects without pondage c. 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.	Provided also that payment of additional charge for failure to adhere to sign change requirement as specified under clauses (a) ,(b) & (c) of this regulation shall not be applicable to: a. renewable energy generators which are regional entities **b. All Hydro Generating Stations** c. 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.	It has been mentioned in draft Regulation, that payment of additional charge for failure to adhere to sign change requirement shall not be applicable to renewable energy generators.In this regard kindly refer to PIB release vide which it has been notified that all the hydro generating stations shall be covered under renewable energy (PIB release attached for reference) . Therefore, the said clause is not applicable to all hydro generating station.
3	3.2	"The Cap rate for the charges for deviation for the generating stations, irrespective of the fuel type and whether the tariff of such generating station is regulated by the Commission or not, shall not exceed 303.04 Paise/kWh."	"The Cap rate for the charges for deviation **for all the time- blocks for under-injection by the seller and for over-injection by the seller** for deviation for the generating stations, irrespective of the fuel type and whether the tariff of such generating station is regulated by the Commission or not, shall not exceed 303.04 Paise/kWh."	
4	5(1)(i) of Fourth Amend.	The charges for Deviation for the generating stations regulated by commission using coal or lignite or gas supplied under Administered Price Mechanism (APM) as fuel, when actual generation is higher or lower than the scheduled generation, shall not exceed the cap rate of 303.04 paisa/kWh as per the methodology sepcified in clause (3) of Regualtion 5 of the Principal regualtions.	The charges for Deviation for the generating stations, **irrespective of fuel type and wheather the tariff of such generating station is regulated by commission or not,** when actual generation is higher or lower than the scheduled generation, shall not exceed the cap rate of 303.04 paisa/kWh as per the methodology sepcified in clause (3) of Regualtion 5 .	Proviso (i) to clause 1 of Regulation 5 of principal regulation may also be suitably changed in accordance with the Clause (3) of regulation 5 .

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Cabinet

Cabinet approves Measures to promote Hydro Power Sector

Posted On: 07 MAR 2019 2:46PM by PIB Delhi

The Union Cabinet, chaired by the Prime Minister Narendra Modi, has approved Measures to promote Hydro Power Sector. These include Declaring Large Hydropower Projects (HPO) as part of non-solar Renewable Purchase Obligation (RPO)

Details:

i. Large Hydropower Projects to be declared as Renewable Energy source (as per existing practice, only hydropower projects less than 25MW are categorized as Renewable Energy).
ii. HPO as a separate entity within non-solar Renewable Purchase Obligation to cover LHPs commissioned after notification of these measures (SHPs are already covered under Non-Solar Renewable Purchase Obligation). The trajectory of annual HPO targets will be notified by Ministry of Power based on the projected capacity addition plans in hydropower sector. Necessary amendments will be introduced in the Tariff Policy and Tariff Regulations to operationalize HPO.
iii. Tariff rationalization measures including providing flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2%;
iv. Budgetary support for funding flood moderation component of hydropower projects on case to case basis; and
v. Budgetary support for funding cost of enabling infrastructure i.e. roads and bridges on case to case basis as per actual, limited to Rs. 1.5 crore per MW for upto 200 MW projects and Rs. 1.0 crore per MW for above 200 MW projects.

Major Impact including employment generation potential:

As most of the hydro power potential is located in the higher reaches of Himalayas and North- East Region, it will result in overall socio-economic development of the region by providing direct employment in the power sector. It will also provide indirect employment/ entrepreneurial opportunities in the field of transportation, tourism and other small scale businesses. Another benefit would be of having a stable grid considering 160 GW capacity addition by 2022 from infirm sources of power like solar and wind.

Background:

India is endowed with large hydropower potential of 1,45,320 MW of which only about 45,400 MW has been utilized so far. Only about 10,000 MW of hydropower has been added in the last 10 years. The hydropower sector is currently going through a challenging phase and the share of hydropower in the total capacity has declined from 50.36% in the 1960s to around 13% in 2018-19.

Besides being environment friendly, hydropower has several other unique features like ability for quick ramping, black start, reactive absorption etc. which make it ideal for peaking power, spinning reserve and grid balancing/ stability. Further, hydropower also provides water security, irrigation and flood moderation benefits, apart from socio-economic development of the entire region by providing employment opportunities and boosting tourism etc. The importance of hydropower is increasing even more as the country has targeted to add 160 GW of intermittent Solar and Wind power by 2022 and 40% of the total capacity from non-fossil fuel sources by 2030 to honour its Nationally Determined Contribution for Climate Change. However, DISOMS are reluctant sign Power Purchase Agreements (PPAs) Hydro Power due to higher tariff, particularly, in the initial years. One of the reasons for high tariff of hydropower is the loading of cost of flood moderation and enabling infrastructure in the project cost. In this backdrop, the decision has been taken to adopt measures to promote hydropower sector including providing budgetary support for flood moderation cost and enabling infrastructure cost and tariff rationalization measures to reduce tariff and thus the burden on the consumer.

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