

**BEFORE HON'BLE CHHATTISGARH STATE ELECTRICITY
REGULATORY COMMISSION (CSERC)**

Comments on

Draft CSERC (Intra-State Deviation Settlement Mechanism and related
matters) Regulations' 2024

Public Hearing on 03.01.2024

Stakeholder: **Chhattisgarh Biomass Energy Developers Association**

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5.1(c)	3	• Reconsideration Prayed • Proposed limit of 5MW capacity for RE Generators should be increased to 15MW or at least 10MW in line CERC RE Regulations which considers RE Generators up to 10MW under Must-Run Stations, considering operational constraints and technical difficulties of Biomass Generators.
6.4(5)	4	• Reconsideration Prayed • Applying provisions in similarity to CERC DSM Regulations on Biomass Generators would not be justifiable since none of Biomass Generators is a regional entity and their issues and constraints are not considered under CERC DSM Regulations due to obvious reasons. • Instead of clubbing Biomass Generators with General Sellers, separate category should be made for Biomass Generators with provisions similar to Municipal Solid Waste Category; separate categories are already proposed for Municipal Solid Waste, Hydro, Solar-Wind Renewable Generators.
7	7	• Reconsideration Prayed • For a small capacity power plant alike Biomass Generators, it is just impossible to operate in extreme narrow bandwidth of frequency from 49.95 to 50.03 due to their operational constraints, therefore levy of frequency linked Deviation Charges shall land them into deep technical and financial trouble, hence Biomass Generators should not be covered under any deviation charges linked with frequency like other RE Generators (Municipal Solid Waste, Hydro, Solar-Wind).

Prepared by Er Shyam Kabra, Electricity Tariff & Regulatory Advisor
Mob: 98261 38696 email: electricon.india@gmail.com

8.11	8	This provision should be linked with Clause 6.8 of the Chhattisgarh State Electricity Grid Code 2011 to avoid any possible conflict which broadly specifies the Grid Disturbance and also provide that the affected period of scheduling shall be more by 3 time blocks when such grid disturbance occurs and actual injection should be considered as deemed schedule injection during the affected time blocks including 3 additional time blocks.
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Prayed Accordingly.

For Chhattisgarh Biomass Energy Developers Association

For, Chhattisgarh Biomass Energy
Developers Association

SECRETARY

Regulation 3.37 Definition of Reference Charge Rate

Draft Provision

3.37. "Reference Charge Rate" means (i) in respect of a general Seller whose tariff is determined under Section 62 or Section 63 of the Act, energy charge in Rs/ KWh as determined by the Appropriate Commission, or (ii) in respect of a general Seller whose tariff is not determined under Section 62 or Section 63 of the Act, the reference charge rate shall be equal to the reference charge rate as considered by WRPC in the DSM Statement, as available in WRPC website;

Comments

- Under the existing Regulations, reference charge rate is equal to fixed charges and energy charges as approved by Hon'ble CSERC whereas present Draft Proposal proposes it to be equal to energy charges only, therefore it will cause financial hardship to the Biomass Generators.
- Therefore, it is suggested that reference charge rate should include fixed charges and energy charges for RE Generators specially Biomass Generators.

Regulation 5 Applicability of Intra-State ABT 5.1(c)**Draft Provision**

5.1(c) Renewable energy based generating plant: All renewable energy based power generating stations covered under the relevant Regulation, of installed capacity more than 5 MW located in the State and who have contracted to supply long-term and medium-term power to distribution licensees in State at tariff determined under Section 62 or Section 63 of the Act.

Comments

- On one hand, present Draft Proposals are made keeping in view the provisions of prevailing CERC DSM Regulations, on the other hand, deviating from CERC DSM Regulations, all renewable energy based power generating stations of installed capacity less than 5 MW are exempted from levy of deviation charges. Similarly, Regulation 8 of CERC DSM Regulations, provides deviation charges for buyer entities scheduling less than 400MW whereas Hon'ble CSERC has proposed such limit to 40MW considering the volume of state Grid.
- This makes it amply clear that Hon'ble CSERC is considerate for small generators as well as small buyers looking into their operational constraints.
- It is suggested that proposed limit of 5MW capacity for RE Generators should be increased to 15MW or at least 10MW in line CERC RE Regulations which considers RE Generators up to 10MW under Must-Run Stations, considering operational constraints and technical difficulties of Biomass Generators.

Regulation 6.4. Charges for Deviation

Draft Provision

(5) The charges for deviation in a time block by a Seller shall be payable by such Seller as under:

Entity	Charges for deviation payable to State Deviation Pool Account	
Seller	Deviation by way of over injection	Deviation by way of under injection
For General Seller other than generating stations based on municipal solid waste.	Zero: Provided that such Seller shall be paid back for over injection @ the reference charge rate for deviation up to 10% of schedule or 100 MW, whichever is less.	(i) @ the reference charge rate for deviation up to 10% of schedule or 100 MW, whichever is less; (ii) @ 120% of the normal rate of charges for deviation by way of under-injection beyond 10% of schedule or 100 MW, whichever is less and up to 15% of schedule or 150 MW, whichever is less; and (iii) @ 150% of the normal rate of charges for deviation beyond 15% of schedule or 150 MW, whichever is less.
For a general seller being a generating station based on municipal solid waste	Zero: Provided that such seller shall be paid back for over injection for deviation up to 20% of schedule @ contract rate, or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website.	i) Zero for deviation up to 20% of schedule: Provided that such seller shall pay back for the shortfall in energy against its schedule in any time block due to under injection up to 20% of schedule @ 50% of the contract rate, or in the absence of a contract rate, @ 50% the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website; and (ii) @ normal rate of charges for deviation beyond 20% of schedule
Hydro Seller	Zero: Provided that such Seller shall be paid back for over injection @ 50% of reference charge rate for deviation up to 10% of schedule or 50 MW, whichever is less.	(i) @ 50% of reference charge rate up to 10% of schedule or 50 MW, whichever is less; (ii) @ the normal rate of charges for deviation by way of under injection beyond 10% of schedule or 50 MW, whichever is less and up to 15% of schedule or 75 MW, whichever is less; and (iii) @ 110% of the normal rate of charges for deviation beyond 15% of schedule or 75 MW, whichever is less.
For WS Seller/ QCA	Zero: Provided that such Seller shall be	(i) Zero for deviation up to 10% of schedule; and

	paid back for over injection as under: (i) @ contract rate or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website, for deviation up to 10% of schedule; and (ii) @ 90% of the contract rate, or in the absence of a contract rate, @ 90% of the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website, for deviation beyond 10% of schedule and up to 15% of schedule.	(ii) @ 10% of the contract rate or in the absence of contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website, for deviation beyond 10% of schedule and up to 15% of schedule: (iii) @ 50% of the contract rate or in the absence of contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges for the respective time block as considered by WRPC in the DSM Statement, as available in WRPC website, for deviation beyond 15% of schedule. Provided that such Seller shall pay back for the total shortfall in energy against its schedule in any time block due to under injection, @ the contract rate, or in the absence of a contract rate, @ the weighted average ACP of the Day Ahead Market segments of all Power Exchanges, for the respective time block.
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Comments

- It is observed that there is separate category for all renewable generators like Municipal solid waste, hydro, solar, wind except Biomass Generators which is not justifiable.
- Small Biomass Generators are proposed as General Seller and are clubbed with other conventional generators including Large Thermal Generators which is violation of the judicious principle "un-equals can not be equated" hence separate category should be made to Biomass Generators alike Municipal Solid Waste, Hydro, Solar-Wind Renewable Generators while deciding Deviation Charges.
- The phrase "10% of schedule or 100MW" itself indicates that such provisions are made keeping in view large generators up to 1000MW, hence application of such provisions on small Biomass Generators having capacity ranging from 8MW to 15MW is neither logical nor justifiable in the eyes of law and moral.
- It is also notable that none of the Biomass Generator is a Regional Entity hence it is quite obvious that the issues and constraints faced by such Biomass Generators are not taken into account in CERC DSM Regulations whereas Hon'ble CSERC must take into consideration the issues and constraints faced by such Biomass Generators connected to

State Grid. Therefore applying provisions in similarity to CERC DSM Regulations on Biomass Generators would be unjustifiable.

- It is further observed that under the existing Regulations, RE Generators are exempted from Deviation Charges for under/ over injection of 15% of schedule whereas in the present Draft Proposal, above is squeezed to 10% of schedule. It is just impossible for Biomass Generators to operate in such a narrow range of permissible deviation due to their operational constraints.
- It may be noted that under the existing deviation provisions, Biomass Generators are already suffering from huge financial burden and when it will further be squeezed, it will be a severe blow on their survival:

Month, 2023	Burden of Deviation Charges on State Biomass Generators
April	42,41,911.03
May	39,96,324.93
June	81,81,878.75
July	34,31,758.38
August	31,85,685.78
September	54,99,572.41
October	43,90,631.46
Total	3,29,27,762.74

- Hence it is suggested that instead of clubbing Biomass Generators with General Sellers, separate category should be made for Biomass Generators with provisions similar to Municipal Solid Waste Category; separate categories are already proposed for Municipal Solid Waste, Hydro, Solar-Wind Renewable Generators.

Regulation 7 Limits on 'normal rate of charges for deviations' and 'charges for deviations'**Draft Provision**

Notwithstanding anything contained in Clauses (5) and (6) of Regulation 6 of these Regulations, the provisions of Clauses (7.1) and (7.2) as stipulated below shall apply irrespective of volume limit, in respect of the General Seller other than a generating station based on municipal solid waste and in respect of the Buyer, when the system frequency (hereinafter "f") in a time block, is "below 49.95 Hz (i.e. $f < 49.95$ Hz)" or "above 50.03 Hz (i.e. $f > 50.03$ Hz).

Comments

- For a small capacity power plant alike Biomass Generators, it is just impossible to operate in extreme narrow bandwidth of frequency from 49.95 to 50.03 due to their operational constraints, therefore under proposed band width of frequency, levy of frequency linked Deviation Charges shall be inevitable on them and they will be left into deep technical and financial trouble.
- Therefore it is suggested that Biomass Generators should not be covered under any deviation charges linked with frequency like other RE Generators (Municipal Solid Waste, Hydro, Solar-Wind).

Regulation 8 Scheduling and Despatch

Draft Provision

- 8.11. In case of any grid disturbance, scheduled injection of the Sellers and scheduled drawl of the Buyers shall be deemed to have been revised in proportion to their actual generation/drawl for all the time blocks affected by the grid disturbance. Certification of grid disturbance and its duration shall be published by the SLDC/CSPDCL in website within a week of its occurrence by the concerned licensee.

Comments

- Above provision should be linked with Clause 6.8 of the Chhattisgarh State Electricity Grid Code 2011 to avoid any possible conflict which states as under:

6.8 In the event of bottleneck in evacuation of power due to any constraint, outage, failure or limitation in the transmission system, associated switchyard and substations owned by the State Transmission Utility or any other transmission licensee involved in intra-State transmission (as certified by the SLDC) or distribution licensee necessitating reduction in generation, the SLDC shall revise the schedules which shall become effective from the 4th time block, counting the time block in which the bottleneck in evacuation of power has taken place to be the first one. Also, during the first, second and third time blocks of such an event, the scheduled generation of the generators (including CGP) shall be deemed to have been revised to be equal to actual generation, and the scheduled drawals of the beneficiaries/buyers shall be deemed to have been revised accordingly.

In case of any grid disturbance, scheduled generation of all the generating station (including CGP) and scheduled drawal of all the beneficiaries/buyers shall be deemed to have been revised to be equal to their actual generation/drawl for all the time blocks affected by the grid disturbance. Certification of grid disturbance and its duration shall be done by the SLDC. Generation schedules and drawal schedules issued/revised by the State Load Despatch Centre shall become effective from designated time block irrespective of communication success.

- Above provision broadly specifies the Grid Disturbance and also provide that the affected period of scheduling shall be more by 3 time blocks when such grid disturbance occurs. Such scheduling shall be revised to be equal to actual generation during affected period. In other words,
Period of revised scheduling = period of grid disturbance + 3 time blocks
- Above provision is quite reasonable considering that after the grid disturbance, a generator may require some time to achieve his declared schedule and in such a circumstance, should be saved from levy of deviation charges hence actual injection should be considered as deemed schedule injection during the affected time blocks including 3 additional time blocks.

*Linked
with 6.8
of Grid code*

- Notably, Hon'ble CSERC, in Petition No.81/2019 (Chh Biomass Energy Developers Association vs CGSLDC & CSPDCL) and Petition No.43/2022 (BK Infrastructure vs CGSLDC & CSPDCL), has decided on same lines.

It is humbly prayed before Hon'ble CSERC to allow the Stakeholder to make further submissions in the matter/s of Draft CSERC (Intra-State Deviation Settlement Mechanism and related matters) Regulations' 2024.

Place: Raipur

Date:29.12.2023

Prayed Accordingly,
For Chhattisgarh Biomass Energy Developers Association

For, Chhattisgarh Biomass Energy
Developers Association

SECRETARY