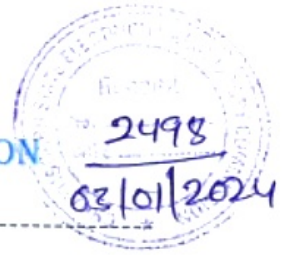


ENGINEERS-PUBLIC WELFARE ASSOCIATION

M-9 Krishna Nagar Dangania Raipur CG 492013



To,

✓ **The Secretary,**
CG State Electricity Regulatory Commission,
Irrigation Colony, Shanti Nagar,
Raipur

Sub:- Views/suggestions/objections on draft Chhattisgarh State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2024.

Ref:- Hon'ble CSERC letter no. 03/CSERC/Tariff/Intra-State DSM Regulations 2024/2024/1611/Raipur, dtd. 06/12/2023.

In reference to the subject cited above, we hereby submit written views/suggestions/objections on draft Chhattisgarh State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) during public hearing held on dtd. 03/01/2024 in reference to the said draft Regulations as under: -

सचिव 03.01.2024-
We would like to draw kind attention of Hon'ble CSERC towards the provisions made by Hon'ble CERC ~~in its~~ regarding billing of charges of deviation for solar generators. The CERC has notified the New DSM Regulation CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022, which is effective from 05/12/2022. In these Regulations, the CERC has also covered the Solar energy generator for applicability of deviation charges and related provisions are as under: -

Quote

Section 3 (1) of

(bb) 'WS seller' means a seller in case of a generating station based on wind or solar or hybrid of wind-solar resources.

5. Adherence to Schedule and Deviation

(1) For a secure and stable operation of the grid, every grid connected regional entity shall adhere to its schedule as per the Grid Code and shall not deviate from its schedule.

(2) Any deviation shall be managed by the Load Despatch Centre as per the Ancillary Services Regulations, and the computation, charges and related matters in respect of such deviation shall be dealt with as per the following provisions of these regulations.

6. Computation of Deviation

(1) Deviation in a time block for general sellers shall be computed as follows: Deviation-general seller (in MWh) = [(Actual injection in MWh) – (Scheduled generation in MWh)]. Deviation-general seller (in %) = 100 x [(Actual injection in MWh) – (Scheduled generation in MWh)] / [(Scheduled generation in MWh)].

(2) Deviation in a time block for WS sellers shall be computed as follows: Deviation-WS seller (in MWh) = [(Actual Injection in MWh) – (Scheduled generation in MWh)]. Deviation-WS seller (in %) = 100 x [(Actual Injection in MWh) – (Scheduled generation in MWh)] / [(Available Capacity)].

8. Charges for Deviation

(1) Charges for deviation in a time block by a seller shall be payable by such seller as under:

Entity	Entity Charges for deviation payable to Deviation and Ancillary Service Pool Account	
Seller	Deviation by way of over injection	Deviation by way of under injection
For WS seller	Zero: Provided that such seller shall be 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, up to [5% Deviation -WS seller (in %)]; 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 for deviation beyond [5% Deviation-WS seller (in %)] and up to [10% Deviation-WS seller (in %)].	(i) Zero up to [10% Deviation-WS seller (in %)]; and (ii) @ 10% of the normal rate of charges for deviation beyond [10% Deviation-WS seller (in %)]; 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.

Unquote

2. Whereas, the provisions related to billing of charges of deviation for solar generators in various regulations and orders are summarized as under:-

- (a) Provisions in draft Chhattisgarh State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2024,

Section 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.

.....

(f) All the generating stations including renewable energy based power plants/CGP (Selling directly or through electricity traders or through exchange) who intend to supply power to consumers under long-term, medium-term or short-term contracts.

Provided that those solar generators (irrespective of their installed capacity) which have commissioned under CSERC DRE Regulations, 2019 shall not be subject to deviation charges as specified in these Regulations. Provided that any exemption in deviation to generators allowed under CSERC (Renewable Energy Tariff Regulations), 2020 shall not be applicable from the date of notification of these Regulations.

Section 9.4. For SSC procuring power from solar, wind and hybrid of solar and wind generators of capacity less than 5 MW, settlement of energy shall be as under: -

a) If there is surplus energy available after set off with SSC consumption in the same 15 minutes' time block, it shall be treated as sale to the concerned distribution licensee Rs. 2.50 per unit.

b) If SSC consumption is more than energy injected by generator in same time block, the balance energy shall be deemed to have been supplied by distribution licensee and shall have to be paid for as per the terms of the retail tariff order and supply agreement with the distribution licensee.

Provided that those SSC receiving power from solar generators which are availing facility of banking under CSERC DRE Regulations, 2019 and its subsequent amendments, shall not pay or receive deviation charge under this regulation.

"Provided that those SSC receiving power from solar generators which are availing facility of banking under CSERC DRE Regulations, 2019 and its subsequent amendments, shall not pay or receive deviation charge under this regulation."

- (b) Earlier in line with these CERC Regulations, Hon'ble CSERC has notified the CSERC (Intra-State Availability Based Tariff and Deviation Settlement

Mechanism) Regulations, 2016 applicable w.e.f. 01-Dec-2016. As per Regulation 5.4 (b) and 5.4 (c), the DSM Charges was applicable for all Renewable energy based generating stations including whose installed capacity is more than 5 MW, which is being reproduced below for ready reference:-

“5.4 (b) All generating companies including RE generator of more than 5 MW & CGP (selling directly or through electricity trader) who have contracted to supply power only to SSC and/or MSC shall be governed by intra-State ABT only in respect of applicable deviation charges.

5.4 (c) All generating companies including RE generator of more than 5 MW & CGP (selling directly or through electricity trader) who have contracted to supply power only to licensee or consumers located outside the state shall be governed by intra-state ABT only in respect of applicable deviation charges.”

(C) Kindly refer following Regulations/order of the CSERC for exemption of deviation charges on Solar generators: -

(i) Regulation 11.2 of CSERC (Terms and conditions for determination of generation tariff and related matters for electricity generated by plants based renewable energy sources) Regulations, 2019 applicable from 24/12/2019, reproduced as under:-

“11.2 Notwithstanding anything contained in any regulation framed under the Electricity Act 2003, all renewable energy power plants except biomass power generating station and non-fossil fuel based co-generation projects shall not be subjected to scheduling and deviation settlement.”

(ii) Regulation 21.10 of CSERC (Grid Interactive Distributed Renewable Energy Sources) (First Amendment) Regulation 2021 applicable from 27/12/2021, reproduced as under:-

“21.10 Notwithstanding anything contained in any regulation framed under the Electricity Act 2003, all IDRES projects shall not be subjected to scheduling and deviation settlement for commercial purpose. However, for grid operations scheduling shall be applicable.”

Order of the CSERC in Suo-Motu Petition No. 61 of 2020 on dtd. 18/04/2022, reproduced as under:

“C. Consumption end - Scheduling of power –

As per provisions in CSERC DRE Regulations and its subsequent amendments, solar generating plant shall not be subjected to scheduling and deviation settlement for commercial purpose. Scheduling and deviation settlement for other plants (i.e. Non-RE plants) shall be as per the provisions in appropriate Regulations.”

3. As per the Explanatory Memorandum of draft Chhattisgarh State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2024, the Regulations is prepared in-line with the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022), which is being reproduced as under:-

"However, Central Electricity Regulatory Commission (CERC) has subsequently notified Deviation Settlement Mechanism and Related Matters Regulations, 2022 wherein the commercial principles for deviation by seller and buyer have been revised in light of various developments and the emerging market realities. Therefore, it is felt that there is a requirement to align the existing state deviation settlement regulations i.e. CERC (IntraState Availability Based Tariff and Deviation Settlement) Regulations, 2016 with the central regulations in order to ensure appropriate recovery from the state participants.

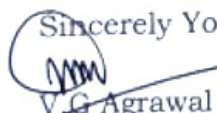
Keeping in view the changes in the framework and methodologies adopted by the Central Commission for inter-state deviations, it has become necessary to amend/modify the existing DSM Regulations at the intra-state level. Accordingly, the Commission has prepared the CERC (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2024 which shall be applicable in case of intra-state deviations by the Buyers and Sellers within the state of Chhattisgarh."

From above, it is quite evident that many exemptions to solar generators are being given without mentioning the reasons for doing this

The exemptions given to Solar generators from applicability of billing of charges of deviation provides undue financial advantage to some/such solar generators at the cost of huge financial losses to the consumers of CSPDCL by way of undue tariff hike.

Therefore, we object the exiting provisions related to billing of charges of deviation for solar generators and requests that the related provisions in the Chhattisgarh State Electricity Regulatory Commission (Intra-State Deviation Settlement Mechanism and Related Matters) Regulations, 2024 should be in-line with the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022.

Sincerely Yours,


V.G. Agrawal
General Secretary

21/12/24

CC: The MD, CSPDCL/CSPTCL – for information and N/a pl