

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O.-Majra, Dehradun-248171

Shri D. P. Gairola Member/ Chairman (I/c)

Shri M. K. Jain Member

Uttarakhand Electricity Regulatory Commission (Deviation Settlement Mechanism & Related Matters) (First Amendment) Regulations, 2022

Statement of Reasons (SOR)

Uttarakhand Electricity Regulatory Commission (Deviation Settlement Mechanism & Related Matters) Regulations, 2017 (Principle Regulations) were notified by the Commission vide notification dated 06.02.2017. These Regulations are in force since then without any amendment.

Central Electricity Regulatory Commission vide its 4th amendment dated 20.11.2018 & 5th Amendment dated 28.05.2019 made several amendments in the CERC (Deviation Settlement Mechanism & Related Matters) Regulation, 2014 (Principle Regulations). To make UERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2017 consistent with CERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2014 and amendment thereof, the Grid Co-ordination Committee (GCC) has proposed relevant amendments in the UERC, Principal Regulations.

As per the recommendations of the GCC, the Commission had prepared and published a draft of the UERC (Deviation Settlement Mechanism & Related Matters) (First Amendment) Regulations, 2022 to invite comments/suggestions/objections from the stakeholders. The comments/suggestions/objections were received from 04 stakeholders till the due submission date of 22.03.2022. Based on the comments/suggestions/objections of stakeholders the Commission has finalized the amendments to the UERC (Deviation Settlement Mechanism & Related Matters) (First Amendment) Regulations, 2022. The list of stakeholders who submitted comments on the draft Regulations is annexed as Annexure-I.

2. The Statement of Objects and Reasons is being issued with the intent of explaining the rationale which went into the finalization of UERC (Deviation Settlement Mechanism & Related Matters) (First Amendment) Regulations, 2022. The

comments/suggestions/objections received from the stakeholders and public and the views of the Commission on the same are discussed in subsequent paragraphs.

3. Suggestions and Objections of Stakeholders and the Commission's views thereon:

3.1. M/s UJVNL Comments/Suggestions:

- i. UJVN Ltd. stated that the draft amendment has provisioned for buyer/seller to correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/-2% with reference to its schedule, at least once, latest by 7th-time block. The flat +/-2% range is not reasonable for Uttarakhand State in view of most of the generation coming from Hydro Power Sector. Further, CERC (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2019 has provisioned for buyer/seller to correct its position by making the sign of its deviation from schedule changed or by remaining in the range of +/-20 MW with reference to its schedule, at least once, latest by 7th time block, therefore, it is requested that the same should be adopted in State DSM Regulations also. Furthermore, UJVN Ltd. stated that HPERC in its Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (First Amendment) Regulation, 2019 (copy enclosed) has provisioned (Regulation 9A) for Maximum permissible limits for Sustained Deviation from Schedule as below:

Sr. No.	Schedule for relevant time block to be reckoned for violation	Maximum permissible limits (in one direction of sustained deviation in MW)
1	Up to 10 MW	0.5
2	Up to 25 MW	1.0
3	Up to 100 MW	2.0
4	Above 100 MW	10.0

From aforesaid table it is evident that Himachal Pradesh being a hill state and having most of the generation from Hydro power Plant has provisioned the Maximum permissible limits for Sustained Deviation from Schedule in a range 2% to 10%. Accordingly, UJVN Ltd. has requested the Commission to consider the Maximum permissible limit of +/-20 MW as per CERC or same as specified in HPERC Regulations.



- ii. UJVN Ltd has requested following additional exemption in 3rd proviso of Regulation 5(7) of UERC (**Deviation Settlement Mechanism & Related Matters**) (First Amendment) Regulations, 2022:

e. sudden breakdown of any of the generating units of generating station.

Commission view:

- i. With regard to the suggestions made by UJVNL at Point no. 3.1(i), the Commission is of the view that the maximum permissible limit in the case of Sustained Deviation has been decided as per the State conditions for the better operation of the Grid and effective implementation of Intra-state DSM Regulations in the State. *Hence, no change is required.*
- ii. With regard to the suggestions made by UJVNL at Point no. 3.1(ii), the Commission is of the view that the condition of Forced Outage is already covered under Regulation 7.5(17) of UERC (State Grid Code) Regulations, 2016 and amendments thereof. *Hence, no change is required.*

3.2. M/s Sravanthi Energy Pvt. Ltd. Comments/Suggestions:

M/s Sravanthi Energy Pvt. Ltd. has requested following additional exemption in 3rd proviso of Regulation 5(7) of UERC (**Deviation Settlement Mechanism & Related Matters**) (First Amendment) Regulations, 2022:

- e. Schedule of power by a generating station for the start-up activities of a unit up to the declaration of full load reaches.*

Commission view:

The issue raised cannot be considered as UERC (**Deviation Settlement Mechanism & Related Matters**) Regulation, 2017 has to be made consistent with CERC (**Deviation Settlement Mechanism & Related Matters**) Regulation, 2014 and amendments thereof. *Hence, no change as proposed is required.*

3.3. Centre for Energy Regulation (CER), IIT Kanpur Comments/Suggestions:

CER, IITK has suggested the adoption of Area Clearing Price (ACP) for N2 Region rather than Average ACP across the country.

Commission view:

The suggestion for the adoption of ACP for the N2 region instead of the Average ACP across the country for proper accounting seems to be logical. *Hence, accepted.*

3.4. M/s Uttarakhand Power Corporation Ltd. (UPCL) Comments/Suggestions:

UPCL has requested the following amendments in the UERC (Deviation Settlement Mechanism & Related Matters) (First Amendment) Regulations, 2022:

- i. Open Access consumers may be kept outside the ambit of Intra-State DSM Regulations.
- ii. RE generators may be kept under the ambit of Intra-State DSM Regulations.

Commission View:

- i. The suggestion given by UPCL at Point No. 3.4(i) and submission by SLDC in this regard, the Commission is of the view that since there are approximately 25 to 35 Open Access consumers who are actively applying for the monthly standing clearance (NOC) and the majority of these Open access consumers have a contract demand in the range of 1 MW to 10 MW, there is a necessity that they continue to be part of Intra-State DSM. *Hence, no change is required.*
- ii. On the suggestion of UPCL at Point No. 3.4(ii), the Commission is of the view that Renewable Energy is still in the development phase in the State, and immediate inclusion of RE generators in the Intra-State DSM Regulations will create chaos and confusion among RE generators and SLDC. In future, the Commission may consider the inclusion of RE generators under the ambit of Intra-State DSM Regulations while drafting the Intra-State DSM Regulations in line with the CERC (DSM) Regulations 2022 which have been notified but not yet implemented. *Hence, no change is required.*

Annexure-I

1. Sh. Purushottam Singh, Director (Operations), UJVNL.
2. Sh. K. Tirumal Rao, VP – Operations, Sravanthi Energy Pvt Ltd, Kashipur-244713.
3. Dr. Anoop Singh, Professor, Centre of Energy Regulation, IIT, Kanpur
4. Sh. G.S. Kunwar, Chief Engineer (Commercial), UPCL