

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

NOTIFICATION

Dated: 6th of May.2016

No.-L-1/(3)/2009-CERC - In exercise of powers conferred by section 178 of the Electricity Act, 2003 and all other powers enabling it in this behalf and after previous publication, the Central Electricity Regulatory Commission, hereby makes the following regulations, to amend the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 (hereinafter "Principal Regulations).

1. Short Title and Commencement

(1) These regulations may be called the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters)(Third Amendment) Regulations, 2016

(2) These regulations shall come into force with effect from 30.05.2016.

2. Amendment of Regulation 2 of the Principal Regulations:

(1) The following proviso shall be added below Regulation 2 (1) (h) of the Principal Regulations:

"Provided that deviation shall be calculated for the Regional Entities by the concerned RLDC/RPC which shall be attributed to various entities embedded within the State by SLDC."

(2) The following clause shall be added after clause (m) of Regulation 2(1) of the Principal Regulations:

"(m-i) Renewable Rich State means a State whose minimum combined installed capacity of wind and solar power is 1000 MW or more.

Note: Combined installed capacity shall be reckoned on the basis of the capacity installed as on the last day of the month for the purpose of deciding the installed capacity for the next month.

3. Amendment of Regulation 5 of the Principal Regulations:

(1) Clause (iii) of Proviso to Regulation 5(1) of the Principal Regulations shall be substituted as under:

"The charges for the deviation for under-drawals by the buyer (except Renewable Rich State) in a time block in excess of 12% of the schedule or 150 MW, whichever is less, shall be zero.

Provided that in case schedule of a buyer (except Renewable Rich State) in a time block is less than or equal to 400 MW, the charges for the deviation for the under-drawal in excess of 48 MW shall be zero

Provided further that Deviation for the under-drawal by the Renewable Rich State in excess of the limits specified in Annexure-III shall be zero."

(2) Clause (iv) of Proviso to Regulation 5(1) of the Principal Regulations shall be substituted as under:

"The charges for the deviation for the over-injection by the seller (except Renewable Rich State) in a time block in excess of 12% of the schedule or 150 MW, whichever is less, shall be zero, except in case of injection of infirm power, which shall be governed by clause (5) of this regulation:

Provided that in case schedule of a seller (except Renewable Rich State) in a time block is less than or equal to 400 MW, the charges for the deviation for the over-injection in excess of 48 MW shall be zero:

Provided further that charges for deviation for over-injection by a Renewable Rich State in a time block in excess of limits as specified in Annexure-III shall be zero.

Provided also that charges for deviation for wind and solar generators which are regional entities, shall be governed by sub-clauses (v) to (vii) of this regulation.

4. Amendment of Regulation 7 of the Principal Regulations:

(1) The words "(except Renewable Rich States)" shall be added after word "buyer" in Regulation 7(1), except in the provisos to Regulation 7(1) of the Principal Regulation.

(2) The following proviso shall be added before first proviso to regulation 7(1) of the Principal Regulations.

"Provided that over-drawal/under-drawal of electricity by any Renewable Rich State during the time block shall not exceed limits as specified in Annexure-III, when grid frequency is "49.70 Hz and above and below 50.10 Hz"

(3) The following proviso under Regulation 7 (1) of the Principal Regulations shall be deleted:

“Provided that the limits on deviation volume and consequences for crossing these limits (including the additional charges for deviation) as stipulated under Regulation 7 shall not apply to wind and solar generators which are regional entities.”

- (4) The words "/under-drawal" shall be added after words "over-drawal" in "Explanation" under Regulation 7(1) of the Principal Regulations.
- (5) Clause (2) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(2) The under-injection / over-injection of electricity shall not exceed following when grid frequency is “49.70 Hz or above and below 50.10 Hz”:

- (a) 12% of the scheduled injection or 150 MW, whichever is lower for a seller (except Renewable Rich State).
- (b) Limits as specified in Annexure-III for Renewable Rich State.

Provided that:

(i) In case schedule of a seller, in a time block, is less than or equal to 400 MW, under-injection / over-injection in a time-block shall not exceed 48 MW, when grid frequency is “49.70 Hz or above and below 50.10 Hz”.

(ii) Provided that the limits on deviation volume and consequences for crossing these limits (including the additional charges for deviation) as stipulated under Regulation 7 shall not apply to wind and solar generators which are regional entities.

(iii) No under injection of electricity by a seller shall be permissible when grid frequency is “below 49.70 Hz” and no over injection of electricity by a seller shall be permissible when grid frequency is “50.10 Hz and above”.

(iv) Any infirm injection of power by a generating station prior to COD of a unit during testing and commissioning activities shall be exempted from the volume limit specified above for a period not exceeding 6 months or the extended time allowed by the Commission in accordance with Connectivity Regulations.

(v) Any drawal of power by a generating station prior to COD of a unit for the start up activities shall be exempted from the volume limit specified above when grid frequency is “49.70 Hz and above”.

- (6) The words "and Table III as the case may be" shall be added after words "Table I" in Regulation 7(3) of the Principal Regulations.
- (7) The title of Table-I under Regulation 7(3) of the Principal Regulations shall be substituted as "Table-I - for seller/buyer (except Renewable Rich State)".

(8) Following table shall be added after Table (II) under Regulation 7(3) of the Principal Regulations:

Table III: For a Renewable Rich State

(i)	For over-drawal/under-injection of electricity above L MW and up to L+50 MW in a time block	Equivalent to 20% of the Charge for Deviation corresponding to average grid frequency of the time block.
(ii)	For over-drawal / under-injection of electricity above L+50 MW and up to L+100 MW in a time block	Equivalent to 40% of the Charge for Deviation corresponding to average grid frequency of the time block.
(iii)	For over-drawal / under-injection of electricity above L+100 MW in a time block	Equivalent to 100% of the Charge for Deviation corresponding to average grid frequency of the time block.

Note: "L" shall be as specified in Annexure-III of the these Regulations.

(9) Proviso below Table-II under Regulation 7(3) of the Principal Regulations shall be substituted as under:

“Provided that when the schedule is less than or equal to 400 MW, the additional charges for deviation shall be based on percentage of deviation worked out with reference to schedule of 400 MW as per Table-I and Table-II above.”

(10) In Regulation 7(5) of the Principal Regulations, the words "Annexure-I and Annexure-II" shall be replaced with the words “Annexure I, Annexure I-A and Annexure-II, Annexure-II-A”.

5. Amendment of Annexure-I of the Principal Regulations:

(1) In the heading of Annexure I of the Principal Regulations, the words "(except Renewable Rich State)" shall be added after words "Buyer/Seller".

(2) The following proviso shall be added below the Table titled "Illustration "A":

“Provided that when the schedule is less than or equal to 400 MW, the additional charges for deviation shall be based on percentage of deviation worked out with reference to schedule of 400 MW.”

(3) A new Annexure namely, Annexure-I-A shall be added after Annexure-I of the Principal Regulations.

6. Amendment of Annexure-II of the Principal Regulations:

(1) In the heading of Annexure II of the Principal Regulations, the words "(except Renewable Rich State)" shall be added after words "Buyer/Seller".

(2) Following proviso shall be added below Para A and Para B of Annexure-II of the Principal Regulations:

"Provided that when the schedule is less than or equal to 400 MW, 12% of schedule will be considered as 48 MW for the purpose of this clause."

(3) New Annexures namely, Annexure-II-A & Annexure-III shall be added after Annexure-II of the Principal Regulations.

**Sd/-
(Shubha Sarma)
Secretary**

Note: The Principal Regulations were published on 7.1.2014 in the Gazette of India, Extraordinary, Part III, Section 4, Serial No. 06; corrigendum thereof was published on 17.2.2014 in the Gazette of India, Extraordinary, Part III, Section 4 at Serial No.52; the first amendment to the Principal Regulations was published on 31st December, 2014 in the Gazette of India, Extraordinary, Part-III, Section 4 at Ser No. 381 and the second amendment was published on 10.8.2015 in the Gazette of India, Extraordinary, Part-III, Section 4 at Ser No.272.

Annexure-I-A

Methodologies for the computation of Charges for Deviation and Additional Charges for Deviation applicable to Renewable Rich States for crossing the volume limits specified for the over-drawal/under-injection:

- A. When D_{tb} i.e. Deviation from schedule in a time block in MW is less than limits specified in Annexure-III, in each time block, D_{tb} to be payable by the regional entity at normal Charges for Deviation;
- B. When D_{tb} i.e. Deviation from schedule in a time block in MW is more than limits specified in Annexure-III , in each time block

(i) $D_L = D_{tb} - L$

Where

L = Limit as specified in Annexure-III

D_L = Deviation in excess of limits specified in Annexure-III , in each time block

- (iii) The Charges for Deviation corresponding to D_{tb} shall be payable by the regional entity at normal Charges of Deviation; In addition, graded Additional Charges for the Deviation for D_L shall be payable by the regional entity for over-drawal for crossing the volume limit on the basis of percentage term or MW term, as the case may be @ 20%, 40%, 100% of Charge of Deviation for the incremental deviation in each slab. The same is illustrated as under:

Illustration

Category	Additional Charges for Deviation
D_{tb} is above L MW and up to L+50 MW	$50 \times (D_{tb} - L) \times$ Charge for Deviation corresponding to average grid frequency of the time block
D_{tb} is above L+50 MW and up to L+100 MW	$(100 \times (D_{tb} - (L+50)) + 2500) \times$ Charge for Deviation corresponding to average grid frequency of the time block
D_{tb} is above L+100 MW	$(250 \times (D_{tb} - (L+100)) + 7500) \times$ Charge for Deviation corresponding to average grid frequency of the time block

2. When the grid frequency is below 49.7 Hz:

The charges for deviation corresponding to D_{tb} shall be payable by the regional entity at 824.04 Paisa/kWh. In addition, additional deviation charges for deviation for D_{tb} shall be payable by the regional entity at 824.04 Paise/kWh.

Methodologies for computation of Charges for Deviation and Additional Charges for Deviation applicable to Renewable Rich State for crossing the volume limits specified for the under-drawal/over-injection

A. When D_{tb} i.e. Deviation from schedule in a time block in MW is less than limits specified in Annexure-III in each time block, D_{tb} to be receivable by the regional entity at normal Charges for Deviation;

B. When D_{tb} i.e. Deviation from schedule in a time block in MW is more than Limit as specified in Annexure-III

(i) $D_L = D_{tb} - L$

Where

L = Limit as specified in Annexure-III

D_L = Deviation in excess of limits specified in Annexure-III, in each time block

(ii) The Charges for Deviation corresponding to L shall be receivable by the regional entity at normal Charges of Deviation or the ceiling rate whichever is lower; the regional entity shall not be entitled to any receivable for D_L

C. Additional Charges for the Deviation D_L shall be payable by the regional entity for under-drawal/over-injection when grid frequency is 50.10 Hz or above in accordance with clause 7 (4) of this Regulation.

Annexure-III

Deviation Limits for Renewable Rich States

S.No	States having combined installed capacity of Wind and Solar projects	Deviation Limits (MW)- "L"
1	1000– 3000 MW	200
2	> 3000 MW	250