

Ref. No. MSEDCL/Comments/Ancillary Service Market /NO:26525

DATE: 05 NOV 2018

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

**Sub:** Submission of comments / suggestions / objections on draft Discussion Paper  
on Re-designing Ancillary Services Mechanism in India

**Ref:** Public notice by CERC for Draft Discussion Paper on Re-designing Ancillary  
Services Mechanism in India dated 6<sup>th</sup> Sep 2018

Respected Sir,

This is in reference to public notice issued by Hon'ble CERC on Discussion Paper on  
Re-designing Ancillary Services Mechanism in India. MSEDCL is hereby submitting the  
comments on the proposed draft Discussion Paper which is attached herewith.

MSEDCL requests the Hon'ble Commission to kindly consider MSEDCL's comments /  
suggestions on Discussion Paper on Re-designing Ancillary Services Mechanism in India.

With Regards

Yours faithfully

  
(Satish Chavan)

Director (Commercial), MSEDCL

**Copy s.w.r.to:**

Chairman & Managing Director, MSEDCL, Corporate office Mumbai.

## Comments on Discussion Paper on Re-designing Ancillary Services Mechanism in India

S N	Issues	comment
1	<p>6.7 <b>How much tertiary reserves are required and how is it ascertained?</b></p> <p>6.8 Assessment to be done by the NLDC on a dynamic basis and based on the following:</p> <ul style="list-style-type: none"> <li>• Sufficient Synchronized Reserve Available in such time as estimated through system studies to replace one-half</li> <li>• the operating capability loss caused by the most severe contingency observed</li> <li>• Sufficient Reserve Available in 15 minutes and 30 minutes to replace the operating capability loss caused by the most severe contingency</li> <li>• Sufficient Reserve Available in 30 minutes (to replace one and one-half times the operating capability loss caused by the most severe contingency observed under Normal Total Transfer Capability of the transmission system</li> <li>• Sufficient Reserve in 5 minutes, 10 minutes, 15 minutes and 30 minutes to return the system to a Normal State following the most severe transmission contingency</li> </ul> <p>With fast changing mix of resources in the power systems, reserves must be estimated under probabilistic and uncertain conditions. The most suitable criterion for these problems could probably be minimization of maximal losses or risk caused by incompleteness of information</p>	<ol style="list-style-type: none"> <li>1. The <b>system study report</b> based on which quantification is done by NLDC for maintaining reserve shall be <b>available on POSOCO website &amp; frequency of study</b> to be defined.</li> <li>2. While making any kind of study, which is presently being done using PSSE software, it is to be ensured that all existing network elements are 100% updated &amp; certification for same to be obtained from all Transmission service provider mainly STU. Further for study, actual monthwise average load on each node shall be taken with active reactive component. This nodewise load shall be submitted by respective state SLDC &amp; same to be mandated under proposed mechanism. This is in order to ensure correctness of study; since this is base for quantification of reserve under various contingency condition.</li> <li>3. The <b>mechanism by which NLDC will determine blockwise reserve requirement</b> need to be elaborated.</li> </ol>

## Comments on Discussion Paper on Re-designing Ancillary Services Mechanism in India

S N	Issues	comment
2	<p>6.9 <b>Who can participate?</b></p> <p>Currently only the regulated CGS can participate in the Ancillary Services mechanism which has been classified as "Slow Ancillary". Going forward,</p> <ul style="list-style-type: none"> <li>• All Inter-State / Intra-State generation (Public or Private) resources may be qualified to provide Ancillary Services subject to                             <ul style="list-style-type: none"> <li>a) maximum/minimum emergency / economic / regulation limits,</li> <li>b) Min run/ down times, Max-run times,</li> <li>c) Cold / intermediate / hot start / notification times, and</li> <li>d) Start-up costs, and ramp-rate limits</li> </ul> </li> </ul> <p>RE resources, with appropriate retrofit, be qualified to provide energy and Ancillary Services at a later date</p>	<ol style="list-style-type: none"> <li>1. As regards to participation of Intrastate generator is concerned, capacity to intrastate generator which is not tied under long term with any DISCOM shall be used. The scheduling &amp; Dispatch regulation as well as DSM regulation applicable to Intrastate generator are governed by regulation framed by concerned state Regulatory commission &amp; there is no similarity in regulation between regulation at state level &amp; central level. Further there is no Ancillary service concept at intra state level . Further using capacity of intra state generator tie under long term contract without consent of concerned DISCOM will create commercial dispute between generator &amp; DISCOM as same will be against provision under PPA. <b>Hence intra state generator having capacity not tieup under any long term agreement shall only be used for ancillary service mechanism.</b></li> <li>2. Those generator which are non-complaint of primary response of response is less than 80% , then those generator should not be allowed to participate in both RTM &amp; ASM. The primary response though mandatory but not penalised action under present regulation, many generator are not inclined to provide primary response even after almost 8year since present IEGC regulation. To provide primary response, generator also need to incentivised provided response more than 85%. <b>Primary response compliance must be compulsory criteria for generator participating in RTM &amp; ASM .</b></li> </ol>

