

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

No. L-1/18/2010-CERC

Date: 31.12.2010

In the matter of:

Extension of the date of operation of Clauses 5 and 7 of Annexure-I of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010

ORDER

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (hereinafter referred to as "Grid Code") was notified in the Government of India Extraordinary (Part-III, Section-IV No. 115) on 28.4.2010.

2. Annexure-I of the Grid Code deals with Complementary Commercial Mechanism. Clauses (5) and (7) of Annexure-I are required to be implemented with effect from 1.1.2011. The said clauses are extracted below:

"5. The wind generators shall be responsible for forecasting their generation upto an accuracy of 70%. Therefore, if the actual generation is beyond +/- 30% of the schedule, wind generator would have to bear the UI charges. For actual generation within +/- 30% of the schedule, no UI would be payable/receivable by Generator, The host state shall bear the UI charges for this variation, i.e within +/- 30%. However, the UI charges borne by the host State due to the wind generation, shall be shared among all the States of the country in the ratio of their peak demands in the previous month based on the data published by CEA, in the form of a regulatory charge known as the Renewable Regulatory Charge operated through the Renewable Regulatory Fund (RRF). This provision shall be applicable with effect from 1.1.2011, for new wind farms with collective capacity of 10 MW and above connected at connection point of 33 KV level and above, and who have not signed any PPA with states or others as on the date of coming

into force of this IEGC. Illustrative calculations in respect of above mechanism are given in Appendix.

x

x

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x

x

7. In case of solar generation no UI shall be payable/receivable by Generator. The host state shall bear the UI charges for any deviation in actual generation from the schedule. However, the net UI charges borne by the host State due to the solar generation, shall be shared among all the States of the country in the ratio of their peak demands in the previous month based on the data published by CEA, in the form of regulatory charge known as the Renewable Regulatory Charge operated through the Renewable Regulatory Fund as referred to in clause 5 above.. This provision shall be applicable ,with effect from 1.1.2011, for new solar generating plants with capacity of 5 MW and above connected at connection point of 33 KV level and above and , who have not signed any PPA with states or others as on the date of coming into force of this IEGC. Illustrative calculations in respect of above mechanism are given in Appendix.”

3. Clause (9) Appendix I further provides that “NLDC shall prepare within one month of notification of these regulations a detailed procedure of the mechanism of Renewable Regulatory Fund and submit the same for approval of the Commission”.

4. The draft detailed procedure submitted by Power System Operation Corporation Limited is presently under consideration of the Commission. Representations have been received from Indian Wind Turbine Manufacturers Association, Chennai that the Association has entrusted a pilot study in two firms, one each in Tamil Nadu and Karnataka, of 50 MW each on wind forecasting and is awaiting results. Accordingly, the Association has requested for postponing the effective date of implementation of the provisions of clauses (5) and (7) of Annexure I of Grid Code by one year.

5. Since the mechanism of Renewable Regulatory Funds is a new concept involving financial consideration on the part of wind generators, the efficacy of the mechanism needs to be tested before the same is implemented. We have decided to

allow six months time for the model of wind forecasting to develop on the basis of the pilot study being carried out and another six months for the mock exercises, during which time energy accounts for energy from wind farms and solar generators would be prepared.

6. In exercise of our power under Clause (1) of Part 7 of the Grid Code, we direct that the provisions of clauses (5) and (7) of Annexure I of the Grid Code shall come into operation with effect from 1.1.2012 instead of 1.1.2011. We direct the staff of the Commission to issue a notification to that effect in the Official Gazette for the information of all concerned.

Sd/-
(M.Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson