

CENTRAL ELECTRICITY REGULATORY COMMISSION

(Deviation Settlement Mechanism and related matters) Regulations, 2014,

Dated: 06.01.2014 with amendments Dated: 18.12.2014, 07.08.2015, 06.05.2016,
20.11.2018, 28.05.2019.

Sl. No.	Description	Summary															
1.	Control Period	N.A.															
2.	Applicability	These regulations shall be applicable to sellers and buyers involved in the transactions facilitated through short-term open access or medium-term open access or long-term access in inter-State transmission of electricity.															
3.	Charges for Deviations	<p>The wind or solar generators which are regional entities shall be paid as per schedule. In the event of actual generation being less than the scheduled generation, the deviation charges for shortfall in generation shall be payable by such wind or solar generator to the Regional DSM Pool.</p> <p style="text-align: center;">Deviation Charges in case of under injection</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sr. No.</th> <th style="width: 30%;">Absolute Error in the 15-minute time block</th> <th style="width: 60%;">Deviation Charges payable to Regional DSM Pool</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>< = 15%</td> <td>At the Fixed Rate for the shortfall energy for absolute error upto 15%</td> </tr> <tr> <td>2.</td> <td>>15% but <= 25%</td> <td>At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25%</td> </tr> <tr> <td>3.</td> <td>>25% but <=35%</td> <td>At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25% + 120% of the Fixed Rate for balance energy beyond 25% and upto 35%</td> </tr> <tr> <td>4.</td> <td>> 35%</td> <td>At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25% + 120% of the Fixed Rate for balance energy beyond 25% and upto 35% + 130% of the Fixed Rate for balance energy beyond 35%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Fixed Rate for Open Access participants selling power which is not accounted for RPO compliance of the buyer, and the captive wind or solar plants shall be the Average Power Purchase Cost (APPC) rate at the National level, as may be determined by the Commission from time to time through a separate order. A copy of the order shall be endorsed to all RPCs. • The wind or solar generators which are regional entities shall be paid as per schedule. In the event of the actual generation being more than the scheduled generation, the Deviation Charges for excess generation shall be payable to the wind or solar generators which are regional entities from the Regional DSM Pool. 	Sr. No.	Absolute Error in the 15-minute time block	Deviation Charges payable to Regional DSM Pool	1.	< = 15%	At the Fixed Rate for the shortfall energy for absolute error upto 15%	2.	>15% but <= 25%	At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25%	3.	>25% but <=35%	At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25% + 120% of the Fixed Rate for balance energy beyond 25% and upto 35%	4.	> 35%	At the Fixed Rate for the shortfall energy for absolute error upto 15% + 110% of the Fixed Rate for balance energy beyond 15% and upto 25% + 120% of the Fixed Rate for balance energy beyond 25% and upto 35% + 130% of the Fixed Rate for balance energy beyond 35%
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		Deviation Charges in case of over injection		
		Sr. No.	Absolute Error in the 15-minute time block	Deviation Charges payable
		1	< = 15%	At the Fixed Rate for excess energy upto 15%
		2	>15% but <= 25%	At the Fixed Rate for excess energy upto 15% + 90% of the Fixed Rate for excess energy beyond 15% and upto 25%
		3	>25% but <=35%	At the Fixed Rate for excess energy upto 15% + 90% of the Fixed Rate for excess energy beyond 15% and upto 25% + 80% of the Fixed Rate for excess energy beyond 25% and upto 35%
		4	> 35%	At the Fixed Rate for excess energy upto 15% + 90% of the Fixed Rate for excess energy beyond 15% and upto 25% + 80% of the Fixed Rate for excess energy beyond 25% and upto 35% + 70% of the Fixed Rate for excess energy beyond 35%
		<ul style="list-style-type: none"> • Fixed Rate for Open access participants selling power which is not accounted for RPO compliance of the buyer, and the captive wind or solar plants shall be the Average Power Purchase Cost (APPC) rate at the National level, as may be determined by the Commission from time to time through a separate order. A copy of the order shall be endorsed to all RPCs. • For balancing of deemed renewable purchase obligation (RPO) compliance of buyers with respect to schedule, deviations by all wind and solar generators which are regional entities shall first be netted off for the entire pool on a monthly basis and any remaining shortfall in renewable energy generation must be balanced through purchase of equivalent solar and non-solar Renewable Energy Certificates (RECs), as the case may be, by NLDC by utilising funds from the Pool Account. For positive balance of renewable energy generation, equivalent notional RECs shall be credited to the DSM Pool and carried forward for settlement in future. 		
4.	Declaration, scheduling and elimination of gaming	<ol style="list-style-type: none"> 1. The provisions of the Grid Code and the Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008, as amended from time to time, shall be applicable for declaration of capacity, scheduling and elimination of gaming. 2. The generating station, as far as possible, shall generate electricity as per the day-ahead generation schedule finalized by the Regional Load Despatch Centre in accordance with the Grid Code. 		
5.	Limits on Deviation volume and Consequences of crossing limits	(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.

		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
6.	Compliance with Instructions of Load Despatch Centre	Notwithstanding anything specified in these Regulations, the sellers and the buyers shall strictly follow the instructions of the Regional Load Despatch Centre on injection and drawal in the interest of grid security and grid discipline.		
7.	Accounting of Charges for Deviation	All payments on account of Charges for Deviation including Additional Charges for Deviation levied under these regulations and interest, if any, received for late payment shall be credited to the funds called the "Regional Deviation Pool Account Fund", which shall be maintained and operated by the concerned Regional Load Despatch Centre in each region in accordance with provisions of these regulations.		
8.	Schedule of Payment of Charges for Deviation	<ol style="list-style-type: none"> 1. If payments against the Charges for Deviation including Additional Charges for Deviation are delayed by more than two days, i.e., beyond twelve (12) days from the date of issue of the statement by the Secretariat of the respective Regional Power Committee, the defaulting constituent shall have to pay simple interest @ 0.04% for each day of delay. 2. All payments to the entities entitled to receive any amount on account of charges for Deviation shall be made within 2 working days of receipt of the payments in the "Regional Deviation Pool Account Fund" of the concerned region. 3. All regional entities which had at any time during the previous financial year failed to make payment of Charges for deviation including Additional Charges for Deviation within the time specified in these regulations shall be required to open a Letter of Credit (LC) equal to 110% of its average payable weekly liability for Deviations in the previous financial year, in favour of the concerned RLDC within a fortnight from the date these Regulations come into force. 		
9.	Application of fund collected through Deviations	The surplus amount, if any in the Deviation Pool Account fund as on last day of the month, shall be transferred to a separate fund namely "Power Systems Development Fund" specified by the Commission in the first week of the next month and shall be utilized, for the purpose specified by the Commission.		