

STATE LOAD DESPATCH CENTRE (DELHI)

Office of Manager (Energy Accounting), SLDC
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No. F./DTL/207/18-19/Mgr.(EA)/SLDC/ *111*

Dated : 27.03.2019

Subject : Minutes of the Meeting held in SLDC on 29.01.2019 at 03:00 p.m. to discuss the various issues regarding implementation of DERC order date 21.01.2019 for Waste to energy plants.

The Minutes of the Meeting held in SLDC on 29.01.2019 at 03:00 p.m. to discuss the various issues regarding implementation of DERC order date 21.01.2019 for Waste to energy plants are enclosed for ready reference and further necessary action please.

Yours Faithfully

Sonali Garg
27.03.19
(Sonali Garg)

Manager (Energy accounting), SLDC

Encl:- As above

Copy for favour of Kind information to:-

1. Secretary, DERC
2. OSD to secretary Power
3. Director (Oprn), DTL
4. ED(T) (SLDC)
5. ED(Engg), DERC
6. DGM(SO),SLDC
7. DGM(EA),SLDC

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Subject: Minutes of the Meeting held in SLDC on 29.01.2019 at 03:00 p.m. to discuss the various issues regarding implementation of DERC order dated 21.01.2019 for Waste to energy plants (WTE).

The list of the participants is enclosed as Annexure.

SLDC gave a presentation highlighting the issues regarding implementation of DERC order dated 21.01.2019 regarding WTE plants.

The crux of DERC order dated 21.01.2019 is as under:

- a) Exempt the 'Waste to Energy Plant' from various charges for sale of Power under Open Access.
- b) Relaxation under Deviation Settlement Mechanism from the date of commissioning.

Discussions were held regarding implementation of aforesaid order and following issues were addressed:

1. Date of implementation of DERC order dated 21.01.2019:

As per the Clause 1.(ii) of DERC order regarding relaxation in DSM w.e.f. date of commissioning which is reproduced as under-

"Any commercial/ financial implication in case of deviation from the scheduled power under Deviation Settlement Mechanism from the date of the commissioning of the project and the actual generation shall be treated as scheduled generation.

Provided that the above exemptions shall be applicable for the useful life of the existing and future projects commissioned or Power Purchase Agreement signed on or before 31st March, 2022."

In this regard, stakeholder's gave their views which are reproduced as under:

BRPL View:

"The applicability of the said DERC order is not mentioned in the order. Therefore it is requested that order should be made applicable prospectively on the new transactions applied by Waste to Energy (WTE) plants."

EDWPCL View:

"As per clause 1(ii) of DERC's Order dated 21.01.2019, any commercial/ financial implication in case of deviation from the scheduled power under Deviation Settlement Mechanism from the date of the commissioning of the project and the actual generation shall be treated as scheduled generation; hence the penalty imposed by SLDC under DSM from COD till date on EDWPCL needs to be waived off."

TPDDL View:

"TPDDL agreed with Delhi SLDC comments that retrospective implementation of order would not be possible as EDWPCL and TOWMCL power has already been scheduled under short term open access."

Deliberations and decisions:

As per DERC order, all the existing WTE of Delhi are eligible for DSM waiver from COD. However, SLDC informed that retrospective implementation of above said order would not be possible as EDWPCL and TOWMCL power has already been scheduled under short term open access as these transactions cannot be reversed. Further, the transactions for February 2019 were also approved before the said DERC order. SLDC was of the view that the above order shall be implemented w.e.f. 1st March 2019 and it was decided accordingly.

However, in case of MSW BAWANA, power is fully allocated to Discoms under LTA, so above clause would be implemented from the date of commissioning of the project, as mentioned in order.

In view of the above, SLDC will issue the DSM accounts of EDWPCL and TOWMCL till Feb'2019.

2. Settlement of Actual Generation as Schedule generation for relaxation under DSM:

Exemption of WTE plants under DSM was initially made for 2 years from the date of COD of the plants and was applicable only on the energy supplied to Delhi Discoms.

As per IEGC, DSM suspension is applicable only for the power sale under long term and medium term. However there is no provision of DSM suspension for short term open access. However, as per DERC order dated 21.01.2019, DSM has to be waived off for all the transactions.

In this regard, stakeholder's views are reproduced here under:

BRPL View:

"In this regard BRPL submitted that Delhi SLDC shall prepare DSM account of WTE plants to figure out the variation in generation of WTE plants. This is required to analyze the operational and financial (DSM / ADSM / Sustained deviation charges) impact on the discoms and the impact shall be allowed as a part of additional revenue requirement to the discoms."

BYPL View:

- a) *"Deviations for the energy supplied under STOA or Intra-STOA was being treated under DSM mechanism by Delhi SLDC. The reason of two different types of treatment was that the day ahead schedule under STOA transactions cannot be revised as per the applicable CERC/ DERC regulations."*
- b) *However, after the order of Hon'ble DERC dated 21.01.2019, the treatment of WTE energy scheduled to the consumers/ beneficiaries other than Delhi Discoms has created contradiction b/w the regulation 14 of the CERC Open access regulation and DERC DSM*

regulations on WTE plants as one does not allow the change in schedule on Day ahead basis and other is providing the flexibility on variations on schedules on day ahead basis.

- c) Exemption on DSM for Open access transactions will create the accounting issues and Operational issues which have commercial implications on Delhi Discoms. In case of BYPL, EDWPCL is a WTE plant which is supplying 49 % power to BYPL and 51% power is being sold through Open access route by the plant."*

TPDDL View:

"Any DSM liability that the DISCOMs incur due to deviation in the actual generation of the Waste to Energy plants should be allowed as a part of ARR of the DISCOMS.

However, Preparation of DSM account is further necessary to assess the amount of deviation that a Waste to Energy plant undergoes. This shall help in analyzing the financial and operational impact of deviation. Non-availability of such data shall result in no check on the deviation by these plants and may affect the health of the grid, especially considering the variability in renewable power which is going to increase with increasing RPO."

Deliberations and Decisions:

If DSM has to be waived off for all the transactions, then following accounting methodologies shall be applicable:

For EDWPCL:

After replacing the schedule by actual generation 49% power would be booked to BYPL. The remaining 51% of power could be allocated to Open Access consumers.

Case 1: 51% of Generation < Open Access Schedule

In this case Schedule of OA consumers would be revised as per actual in pro rata basis resulting schedule of OA consumers would be less than quantum approved in Format-II. However, in this case, the commercial settlement on account of

above, would be settled bilaterally between buyer and seller.

Case 2: 51% of Generation > Open Access Schedule

In this case Schedule of OA consumers would remain unchanged. Further, if DSM is not applicable to WTE, then it was decided to obtain the clarifications from DERC. Till then, the surplus power of plant would be treated as grid powers.

Case 3: Generation is negative

In this case wherein generator is drawing power from grid, Schedule of OA consumers would be revised to zero, as negative schedule cannot be given to OA consumers. Further, if DSM is not applicable to WTE, then it was decided to obtain the clarifications from DERC. Till then, it would be treated as grid power. However, in this case, the commercial settlement on account of above, would be settled bilaterally between buyer and seller.

For TOWMCL:

After replacing the schedule by actual generation 50% (Subjected to 60 MUs per year) power would be booked to BRPL. The remaining 50% of power could be allocated to Open Access consumers.

Case 1: 50% of Generation < Open Access Schedule

In this case Schedule of OA consumers would be revised as per actual in pro rata basis resulting schedule of OA consumers would be less than quantum approved in Format-II. However, in this case, the commercial settlement on account of above, would be settled bilaterally between buyer and seller.

Case 2: 50% of Generation > Open Access Schedule

In this case Schedule of OA consumers would remain unchanged. The excess

generation would be booked to BRPL as per PPA dated 27.02.2011, wherein it was mentioned that TOWMCL shall supply minimum of 50% of generation on daily basis to BRPL subject to minimum 60 MUs per year at first.

Case 3: Generation is negative

In this case wherein generator is drawing power from grid, Schedule of OA consumers would be revised to zero, as negative schedule cannot be given to OA consumers. Further, if DSM is not applicable to WTE, then it was decided to take the clarification from DERC. Till then, it would be adjusted in BRPL. However, in this case, the commercial settlement on account of above, would be settled bilaterally between buyer and seller.

3. Settlement in case of power sale through short term open access to outside Delhi/Exchange:

If power is sold to outside the Delhi/ Exchange, then it is not possible to treat actual generation as scheduled generation, so DSM waiver would not be applicable. Also, transmission charges and other open access charges will be applicable as per CERC open access regulations on such transactions.

4. Operational issues:

With the enforcement of CERC (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018, all the utilities shall have to change sign of their deviation from schedule, at least once, after every 6 time blocks. Violation will lead to severe penalties of 20% for each individual violation.

At present, total WTE capacity in Delhi is 52 MW. After waiver off the DSM penalty on this capacity as per the DERC order 21.01.2019, will lead to difficulties in managing the sign reversal of Delhi as a whole.

In view of the above, all the WTE plants are advised to adhere to their schedule provided on day ahead/ real time basis.

SLDC informed that there will be a consistent delay in issuance of Monthly SEA of open access consumers for the time taken in replacing schedule value with actual.

ANNEXURE

**DELHI TRANSCO LTD.
STATE LOAD DESPATCH CENTRE**

LIST OF OFFICERS ATTENDED THE MEETING HELD ON 29.01.2019 AT CONFERENCE HALL, SLDC REGARDING
IMPLEMENTATION OF DERC ORDER DATED 21.01.2019 PERTAINS TO WASTE TO ENERGY PLANT

SNO.	NAME OF THE OFFICERS	DESIGNATION	COMPANY	PHONE NO.	EMAIL
1	HARJIWAN VYAS	ED(T) SLDC	SLDC	9999533631	Harjiwan.vyas@gmail.com
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