Annual Report 2021-22

के वि वि आयोग
CERC

Central Electricity Regulatory Commission (CERC)

सत्यमेव जयते

ANNUAL REPORT

2021-22

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CHAIRPERSON'S STATEMENT

During 2021-22, Central Electricity Regulatory Commission (CERC) took important decisions to the strengthen the structure of power market in the country.

In order to ensure that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid, the Commission introduced the CERC (Deviation Settlement and Related Matters) Regulations, 2022. These Regulations provide a regulatory mechanism for treatment and settlement of deviation from schedule of drawal or injection of electricity in the interest of reliability, security and stability of the grid. The Regulations provide inter alia, for methodology of computation of deviation; charges for deviation to be levied on the regional entities, in case they deviate from their schedule of drawal and injection of electricity; and matters related thereto. The introduction of these Regulations repealed the CERC (Deviation Settlement and Related Matters) regulations, 2014.

With objectives to provide mechanisms for procurement, through administered as well as market-based mechanisms, deployment and payment of Ancillary Services at the regional and national level for maintaining the grid frequency close to 50 Hz, restoring the grid frequency within the allowable band as specified in the Grid Code and for relieving congestion in the transmission network, and to ensure smooth operation of the power system, safety & security of the grid the Commission introduced the CERC (Ancillary Services) Regulations, 2022. These Regulations provide measures for maintaining grid frequency within allowable band and for relieving transmission congestion to support reliable and stable operation of the grid, besides procurement and commercial mechanism for Secondary Reserve Ancillary Services (SRAS) and Tertiary Reserves Ancillary Services (TRAS). The Regulations mandate the requirement of estimation of SRAS and TRAS by the Nodal Agency (NLDC). The Regulations also moots for market based procurement of SRAS and TRAS.

A pilot on Security-constrained Economic Despatch (SCED) of Electricity was implemented with the assistance of POSOCO, from 1st April, 2019. This pilot served the purpose to explore the scope of optimisation and the possibility of minimising the system cost without major structural changes in the existing system. In view of the results, the pilot received further extension upto March, 2022. The methodology decided for sharing of benefits aimed at equitable distribution of benefits/gains between the generators and their corresponding beneficiaries.

In a landmark judgement issued on 12th May, 2021 in petition 287/MP/2018, the Commission permitted Pranurja Solution Ltd (PSL) to establish a new Power Exchange in the country, thus bringing the total number of power exchanges in the country to three The introduction of the third power exchange in the country will provide wider services to the consumers of the power sector

Another positive development is the Order of the Supreme Court in Civil Appeal No 5290-5291 of 2011 dated 6th October, 2021 which decided that while erivative contracts would be introduced and traded in India as per the Regulations implemented by SEBI, the contracts for physical delivery of electricity would continue to be under the jurisdiction outreach of CERC. The Order highlighted the constitution of a Joint Working Group of the officials of CERC and SEBI for approving introduction of Derivative Contracts in the country.