

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 06/SM/2023

Coram:

Shri Jishnu Barua, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 23rd April, 2023

IN THE MATTER OF:

Reserve Regulation Ancillary Services (RRAS) under CERC (Ancillary Services Operations), Regulations 2015: Regarding

ORDER

The Central Electricity Regulatory Commission Ancillary Services Operations), Regulations 2015 (hereafter, RRAS Regulations, 2015) were notified on 13th August, 2015. The objective of the RRAS Regulations, 2015 is to restore the frequency at desired level and to relieve the congestion in the transmission network.

2. As per Regulation 5.1 of the RRAS Regulations, 2015, the generating stations which are regional entities and whose tariff is determined or adopted by the Commission for their full capacity are eligible to provide Reserve Regulation Ancillary Services (RRAS).

3. The Commission has reviewed the power supply situation in the country. On 18th April, 2023, peak demand touched 215.9 GW. The Peak Demand is expected to intensify further with the increase in temperature. As per the “Report on Twentieth Electric Power Survey of India” published by CEA in November 2022, the all-India peak electricity demand for the year 2023-24 is projected to be around 230 GW.

4. Various policies and regulatory measures have been initiated to facilitate adequacy of resources during the crunch period starting third week of April, 2023. Grid-India has brought to the notice of the Commission the measures taken by the system operator to ensure reliable operation of the Grid. To ensure adequacy of reserves, it has also requested

the Commission to expand the scope of RRAS Regulations, 2015 to include resources other than the generating stations regulated by the Commission.

5. In view of the prevailing power supply situation in the country and in the light of the request received from the Grid-India, the Commission considers it necessary to expand the scope of operation of the RRAS Regulations, 2015 in order to facilitate availability of adequate reserves with the system operator.

6. Regulation 16 of the RRAS Regulations, 2015 provides as under:

“16. *Power to issue directions*

16.1 If any difficulty arises in giving effect to these regulations, the Commission may on its own motion or on an application filed by any affected party, issue such directions as may be considered necessary in furtherance of the objective and purpose of these regulations.”

7. As per the RRAS Regulations, 2015, only the generating stations which are regional entities and whose tariff is determined or adopted by the Commission for their full capacity are only eligible to provide RRAS. As reported by the Grid-India, this is causing difficulty in using other resources, whose tariff is neither determined nor adopted by the Commission, for RRAS. In view of the analysis presented in the preceding paras and with a view to expanding the scope of participation of RRAS providers, we are of the view that a direction be given within the meaning of Regulation 16 of the RRAS Regulations, 2015 in furtherance of the objective and purpose of these regulations. Accordingly, the Commission in exercise of the powers under Regulation 16 of the RRAS Regulations, 2015, hereby directs as under:

- a. The Eligibility for participation for RRAS referred to in Regulation 5 of the RRAS Regulations, 2015 shall, in addition to the regional entity generating stations whose tariffs are determined or adopted by the Commission, also include the state generating stations whose tariffs are determined or adopted by the State Commission and willing to participate under RRAS; and the generating stations which are mandated by the Central Government to participate under RRAS and whose tariffs are discovered through a competitive bidding process.

- b. The merit order stack to be prepared by the Nodal Agency shall include the state generating stations whose tariffs are determined or adopted by the State Commission and willing to participate under RRAS; and the generating stations which are mandated by the Central Government to participate under RRAS, along with the regional entity generating stations whose tariffs are determined or adopted by the Commission.
8. The above directions shall come into force with immediate effect.
9. The Petition 06/SM/2023 is disposed of accordingly.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member

Sd/-
(Jishnu Barua)
Chairperson