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Date: 04.03.2020

To,

The Secretary
Andhra Pradesh Electricity Regulatory Commission
11-4-660, 4th Floor, Singareni Bhavani,
Red Hills, Hyderabad - 500 004

Subject: Comment on the Proposed Amendment on Forecasting & Deviation settlement regulation by APERC.

Dear Sir

This is with reference to **"Proposed Amendment on Forecasting & Deviation settlement regulation by APERC"**. We, Kreate Technologies LLP, would like to submit our comments on the Proposed Amendment on Forecasting & Deviation settlement regulation by APERC.

1. Amendment 1: Substitute the term 'Absolute error' with 'Forecast error'
Substitute the term "Available capacity" with 'Schedule Generation' for calculation forecast error as per following formula.
$$\text{Forecast Error}(\%) = 100 * (\text{Actual generation} - \text{Schedule Generation}) / \text{Schedule Generation}$$

We request you to consider below formula to calculate % Error

$$\text{Forecast Error}(\%) = 100 * (\text{Actual generation} - \text{Schedule Generation}) / \text{Available capacity}$$

It is because if we calculate forecast error considering schedule data in denominator, it may show very high error but in actual it does not have much impact on the grid. It can be explained with below example:

Eg. AvC=100 MW, Act.=30MW, Sch.=60

Case-1) Considering Schedule as denominator

Forecast error%= $(30-60)*100/60 = -50\%$ error

Case-2) Considering Avc as denominator

% Error= $(30-60)*100/100 = -30\%$ error

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So we can see in actual it impacts the grid upto (-30%) but if we use schedule its impact is (-50%) which is wrong, Hence we should use AvC in denominator.

2. Amendment 3: it is proposed to remove the option of rescheduling of forecast on one and half hourly basis during the day of operation and strictly adhere to scheduling on day ahead basis.

We would like to request you to reconsider this clause, as in case of Solar and Wind energy, the generation depends on the weather parameters such as GHI, wind speed, temperature etc. which is sometimes difficult to predict a day before. Sudden changes in weather has direct effect on the generation, in such cases intra-day schedules are required. Further, Real-time market has been introduced to maintain grid stability and for real-time power management.

3. Amendment 4: the levy and collection of DSM charges should be amended as shown in the table given below:

S.No.	Forecast error in the 15 min. time block	Deviation charges payable to the State Pool Account
1	<Allowable Forecast Error	None
2	Above Allowable Forecast Error	At Rs. 2 per unit for the shortfall or excess injection

We would like to request you to reconsider this clause, the DSM charge of Rs. 2.00 as penalty is a very high rate. The deviation band in all the States is based on the Absolute Error and the penalty is within the range of Rs. 0.25 to Rs.1.50 per unit for different range of deviation band.

We would like to request you to consider our view/ comment while publishing the Amendment on Forecasting & Deviation settlement regulation.

We remain,
Yours faithfully,



Sunny Kumar,
Associate Director
Kreate Technologies LLP