BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION IV FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD

Public Notice

OP No.2 of 2020 In the matter of Amendment to Regulation No.4 of 2017

CHORNOLOGICAL / RUNNING INDEX

Sl.No	Date of the Document	Description of Document	Page Nos
1	03.03.2020	I.A.No.1 of 2020 in W.P.No.13860 of 2019	1 – 30
2	03.03.2020	I.A.No.3 of 2020 in W.P.No.15513 of 2019	31 - 60

Date: 10.03.2020 Place: Hyderabad

VilL-

COUNSEL FOR DEVELOPER AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED



BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION IV FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD

Public Notice

OP No.2 of 2020 In the matter of Amendment to Regulation No.4 of 2017

MEMO FILED ON BEHALF OF AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED

May it please your Lordship,

In the above said matter, some of the solar and wind power generating companies ('Generating Companies') namely M/s Axis Wind Farms (MPR Dam) Pvt Ltd, M/s JED Solar Parks Pvt Ltd, M/s Vayuputra Energy Pvt Ltd, M/s Rayalaseema Wind Energy Company Pvt Ltd, M/s SEI Sriram Power Pvt Ltd, M/s Greenko Solar Power (Dharmavaram) Limited, M/s Guttaseema Wind Energy Company Private Ltd, M/s Saipuram Wind Energies Pvt.Ltd, M/s. Animala Wind Power Private Limited, M/s Anantapura Wind Energies Private Limited, M/s Sandla Wind Project Private Limited, M/s SEI Green Flash Private Limited, M/s Skeiron Renewable Energy Amidyala Limited, M/s.Orange Anantapur Wind Power Private Limited, M/s Zuvan Energy Private Limited, M/s Divyesh Power Private Limited, M/s SEI Baskara Private Limited, M/s SEI EnerStar Renewable Energy Private Limited have filed W.P.Nos.13860 of 2019 & W.P.No.15513 of 2019 challenging legal and constitutional validity of the Regulation No.4 of 2017 - APERC (Forecasting, Scheduling and Deviation Settlement Mechanism for wind and solar generation sources) Regulations, 2017, and the same are pending adjudication.

It is submitted that, pending above Writ Petitions the APTRANSCO has written a letter dated 10.12.2019 to the Secretary, APERC seeking for Amendments to Regulation No.4 of 2017. Pursuant there to the Hon'ble Commission issued notice vide O.P.No. 2 of 2020 for holding a Public Hearing on 10.03.2020. In this regard, aforesaid Generating Companies and also some of the associations of wind and solar generating companies have requested this Hon'ble Commission vide their letters dated 20.02.2020 to adjourn the public hearing due to pendency of the Writ Petitions before the Hon'ble High Court. Further, some of the generating Companies filed interlocutory applications in the

Vill.

66444 ----9 -9 9 ... U U U U U U U U U U U U U U U U U U U -5 > 5

-

6 6 C C; C 6 6 6 C C 6 00000 -

pending writ petitions seeking stay of the said public notice. The Copies of Interlocutory Applications vide I.A.No. 1 of 2020 in W.P.No. 13860 of 2019 and I.A.No. 3 of 2020 in W.P.No. 15513 of 2019 filed before the Hon'ble High Court are enclosed herewith as **Annexure Nos. 1 & 2**.

It is submitted that, the Hon'ble High Court on 06.03.2020, has heard the above IA's at length on 06.03.2020, and upon hearing the arguments of all the parties including APTRANSCO, this Hon'ble Commission and Generating Companies reserved the Interlocutory Applications for orders.

It is submitted that, since the Hon'ble High Court is seized of the matter and reserved for orders in the Interlocutory Applications, the Hon'ble Commission may be pleased to differ from conducting Public Hearing on Amendments to Regulation No.4 of 2017 by a period of Four Weeks, in the interest of justice.

Hence this Memo.

Date: 10.03.2020 Place: Hyderabad

1/2-

COUNSEL FOR DEVELOPER AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED La electricitationes.

1

I.A.NO.) OF 2020 IN W.P. No.13860 of 2019

BETWEEN:

Axis Wind Farms (MPR Dam) Private Limited and others

And

State of Andhra Pradesh Represented by its Principal Secretary, Electricity Department & 2 Others

.....Respondents

.....Petitioners

RUNNING INDEX

S.No	Particulars	Date of Document	Date of Filing of Document	Page Nos.
1.	Copy of Petition and Affidavit	03.03.2020	03.03.2020	1-9
2.	Annexure A Copy of Letter written by APTRANSCO to Secretary APERC seeking for Amendments in Regulation	10.12.2019	-do-	10-20
3.	Annexure B Copy of Public Notice issued by APERC for holding Public Hearing on Amendments proposed by APTRANSCO	13.02.2020	-do-	21
4.	Annexure C Copy of the letter dated 20.02.2020 addressed to APERC alongwith Courier Tracking Report.	20.02.2020	-do-	22-25

Place: Amaravathi Date: 03.03.2020

Vik **Counsel for Petitioners**

;

MEMORANDUM OF WRIT PETITION MISC. PETITION (UNDER SEC. 151 OF THE C.P.C)

IN THE HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATI

I.A.NO. OF 2020

IN

W.P. No.13860 of 2019

Between:

 M/s Axis Wind Farms (MPR Dam) Pvt Ltd, A Company incorporated under the Companies Act, 1956 And having its office at Plot No.A2, Dwaraka Vilas, Anantapur, Andhra Pradesh – 515 001. Rep by its Authorized Signatory Mr.Suryanarayana Peri

 M/s JED Solar Parks Pvt Ltd, A Company incorporated under the Companies Act, 1956 And having its office at D Block, Flat No.55, Dwaraka Villas, Anantapur, Andhra Pradesh - 515 001. Rep by its Authorized Signatory Mr.Suryanarayana Peri

 M/s Vayuputra Energy Pvt Ltd, A Company incorporated under the Companies Act, 1956 And having its office at Plot D-46, Dwaraka Vilas, Ananthapur, Anantapur, Andhra Pradesh – 515 001, Rep by its Authorized Signatory Mr.Suryanarayana Peri

 M/s Rayalaseema Wind Energy Company Pvt Ltd A Company incorporated under the Companies Act, 1956 And having its office at Plot D-46, Dwaraka Villas, Anantapur, Andhra Pradesh - 515 001. Rep by its Authorized Signatory Mr.Suryanarayana Peri

 M/s SEI Sriram Power Pvt Ltd, A Company incorporated under the Companies Act, 1956 And having its office at Lepakshi, Survey No.251, Kurnool, Andhra Pradesh - 515 331. Rep by its Authorized Signatory Mr.Suryanarayana Peri

;

 M/s Greenko Solar Power (Dharmavaram) Limited (Formerly known as "Rain Coke Ltd"), A Company incorporated under the Companies Act, 2013 And having its office at 450/3E, Dharmavaram Mandal, Anatahpur, Andhra Pradesh – 515 671, Rep by its Authorized Signatory Mr.Suryanarayana Peri

7. M/s Guttaseema Wind Energy Company Private Ltd, (Formerly known as "Advaita Wind Energy Ventures Private Limited"), A company incorporated under the Companies Act, 1956 And having its registered office at Office at: Plot No. 1366, Road No. 45, Jubilee Hills, Hyderabad – 500 033.
Rep by its Authorized Signatory Mr.Suryanarayana Peri

國家主要可能的相關的關係。

 M/s Saipuram Wind Energies Pvt Ltd A company incorporated under the Companies Act, 1956 And having its registered office at Office at: Plot No. 1366, Road No. 45, Jubilee Hills, Hyderabad – 500 033. Rep by its Authorized Signatory Mr.Suryanarayana Peri

..... Petitioners

And

 State of Andhra Pradesh. Represented by its Principal Secretary, Electricity Department, Andhra Pradesh Secretariat, Velagapudi, Amaravathi. Guntur District – 522 503.

:

 Andhra Pradesh Electricity Regulatory Commission 11-4-660, 4th Floor, Singareni Bhavan, Red Hills Road, Khairatabad, Hyderabad, Telangana 500004.

 AP State Load Dispatch Center Transmission Corporation of Andhra Pradesh Limited 3rd Floor, APSLDC Building, Vidyut Soudha, Gunadala, Vijayawada, AP -520004

.... Respondents

66666666666666

For the reasons and circumstances stated in the accompanying affidavit the Petitioner herein prays that during the pendency of the present Writ Petition this Hon'ble Court may kindly be pleased to Stay the operation of the public notice dated 13.2.2020 issued by the Respondent, APERC (Annexure B) to consider proposed amendments to the impugned regulations i.e. to Regulation no.4 of 2017 - APERC (Forecasting, Scheduling and Deviation Settlement Mechanism for wind and solar generation sources) Regulations, 2017 and pass such other order this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of justice and fair play.

Place: Amaravathi Date: 03.03.2020

9

\mathcal{N} $\not\models$ Counsel for Petitioners

2

IN THE HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATI

a and the high some

I.A.NO. OF 2020 IN W.P. No.13860 of 2019

BETWEEN:

the the the

Axis Wind Farms (MPR Dam) Private Limited and others

And

State of Andhra Pradesh Represented by its Principal Secretary, Electricity Department & 2 Others

.....Respondents

;

.....Petitioners

AFFIDAVIT FILED ON THE BEHALF OF THE PETITIONERS

I, Suryanarayana Peri, S/o. Rama Rao, Aged about 54 Years, Occupation: AGM (Commercial) of Petitioner No.1 Company, R/o. Trimurti Residency, Gandhinagar, Secunderabad, having temporarily come down to Amaravathi, do hereby solemnly affirm and state as follows:

- I am the duly authorized signatory of Petitioner No.1 to 8 Companies as such I am well acquainted with the facts of the case and deposing this on behalf of the Petitioner companies.
- 2. I submit that the Petitioners filed the present Writ Petition challenging the vires of the impugned regulation i.e. APERC Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Regulation, 2017 (Regulation 4 of 2017) and this Hon'ble Court was pleased to admit the Writ Petition on 31.12.2019 and directed to list the same for final hearing. Further, this Hon'ble Court passed interim orders directing the Respondents not to take any coercive steps against the Petitioners.

3.

-

4.

I further submit that similar Writ Petitions i.e. WP 781 of 2018, WP 5706 of 2019, WP 15513 of 2019 were filed by other wind and solar generating companies and this Hon'ble Court also admitted these Writ Petitions and listed for final hearing. Similar interim orders as stated above were passed in these Writ Petitions also.

- I further submit that, while the matter is sub-judice the Respondent SLDC - APTRANSCO is forcefully implementing the impugned regulations to the detriment of the solar and wind generation in the State. Further, the Respondent SLDC submitted a report vide its letter dated 10.12.2019 to Respondent APERC requesting for amendments to the impugned regulations. A copy of the letter dated 10.12.2019 is annexed herewith as Annexure - A.
- 5. I further submit that the Respondent APERC based on the aforesaid letter issued a public notice on 13.02.2020 inter alia stating that APSLDC requested for amendments to regulations 2.1 (a), 2.1 (j), 4.1, 6.3 and 2.1 (aa) of the impugned regulations. It is submitted that, by way of the said public notice the Respondent Commission directed / invited views / objections / suggestions from any stakeholders on the proposed amendments (as sought by APSLDC) on or before 04.03.2020. Further, it was notified through said public notice that the Respondent Commission will hold a public hearing on 10.03.2020. A copy of the public notice dated 13.02.2020 is annexed herewith and marked as Annexure B.
- 6. I further submit that the Petitioners vide their letter dated 20.02.2020 has submitted to the Respondent Commission that the legal and constitutional validity of the impugned regulations are sub-judice before this Hon'ble

Court and accordingly requested to adjourn the proceedings under public notice dated 13.02.2020 including the proposed public hearing. A copy of the letter dated 20.02.2020 is annexed hereto and marked as Annexure – C.

6 Provide Alexandre

I further submit that the impugned regulations are contrary to the provisions of the parent act i.e, Electricity Act, 2003 and also are in violation of Art 14 and 19(1)(g) of the Constitution of India. In this regard, the petitioners crave to rely upon the pleadings in the Writ Petition in support of the prayer for interim relief in the present Application. It is submitted that the Respondent APSLDC despite being a party Respondent in the above Writ Petitions has suppressed the material fact of pendency of the above Writ Petitions challenging the vires of the impugned regulations. Further, the Respondent Commission till date has not responded to the request of the Petitioners to defer the proceedings with regard to proposed amendment to the impugned regulations.

7.

8. I further submit that, the Respondent Commission being a party Respondent in the above Writ Petitions ought not to have issued public notice to amend the impugned regulations when its power to notify the regulations are under challenge. Further, the APSLDC being a state entity ought to have brought to the attention of the Respondent Commission of pendency of these Writ Petitions. Thus, it appears the entire exercise of proposed amendments appears to be not a bonafide exercise of statutory powers by the Respondent Commission and also by the Respondent APSLDC. Therefore, these proposed proceedings are liable to be stayed until the legal and constitutional validity of the impugned regulations is finally adjudicated by this Hon'ble Court. I further submit that by way of proposed amendments, APSLDC is virtually making an attempt to remove the error bands and to increase the DSM charges and thereby to make RE generation in the State virtually unviable. If the proposed amendments get implemented, wind and solar projects will become unviable as more than 20% revenue will be levied by the way of DSM penalty. It appears that the Respondent APTransco is using the proposed amendment to the Impugned Regulation indirectly to reduce the tariff of Wind & Solar projects in the State which was duly approved by the Commission and acted upon by the parties. C

e

e

e

1

0

e

¢

6

6

4

e

0

1

4

C

C

¢

e

e

ć

- 10. I further submit that the proposed amendments to impugned regulations are against the provisions of the Electricity Policy, Renewable Energy Policies of the State, contrary to provisions of the Electricity Act, 2003 and therefore are against the interests of renewable energy in the State. In addition, the proposed amendments to the impugned regulations are in violation of the Constitutional provisions. If amendments are given effect to, it will lead to virtual stoppage of RE generation in the State. Therefore, if the proposed amendments to the impugned regulations are rushed through when the main regulations are under challenge before this Hon'ble Court, it will have serious ramifications and adverse effects on wind and solar generating companies.
- 11. It is submitted that, the proposed amendments if implemented will be onerous on the Petitioners and Petitioners will be made liable and will be penalized for no fault of theirs on the alleged ground of deviations from the forecasted power schedules.

9.

It is submitted that the Petitioners would be gravely prejudiced and will be put to irreparable loss if the proposed amendments are implemented. The Petitioners therefore have a strong prima facie case in their favor and balance of convenience is in the favor of petitioners and against the Respondents. Further, the proposed amendments are not in public interest as claimed by the SLDC or otherwise.

It is therefore respectfully prayed that during the pendency of the present Writ Petition, this Hon'ble Court may kindly be pleased to Stay the operation of the public notice dated 13.2.2020 issued by the Respondent, APERC (Annexure B) to consider proposed amendments to the impugned regulations i.e. to Regulation no.4 of 2017 – APERC (Forecasting, Scheduling and Deviation Settlement Mechanism for wind and solar generation sources) Regulations, 2017 and pass such other order this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of justice and fair play.

Solemnly affirm and state on oath on this the 3rd day of March, 2020, at Amaravathi

DEPONENT

Before me

Advocate: Amaravathi

12.



I, P.V.N. Suryanarayana Rao Son of Sri. Rama Rao, aged about 54 years, Authorized signatory of the Petitioners companies, R/o Hyderabad, being the petitioner / person acquainted with the facts do hereby verify and state that the contents in the above paras and are true to my personal knowledge and facts are true to my knowledge based on records and believed to be correct and are based on legal advice believed to be correct. Hence, verified on the 3rd day of March, 2020.

COUNSEL FOR PETITIONERS

DEPONENT



Sub: APTRANSCO - Regulation 4 of 2017 for forecasting, Scheduling & Deviation Settlement of Solar and Wind generators - Issuing of suitable Amendments to Regulation by APERC - Requested - Reg.

Ref: - Regulation 4 of 2017 issued by Hon'ble APERC

It is to submit that, Chief Engineer/APSLDC has informed that during implementation of the Regulation 4 of 2017 issued by APERC for forecasting, Scheduling & Deviation Settlement of Solar and Wind generators which is effective from 1.7.2018 for levying and collection of Deviation charges from Qualified Co-ordinating Agencies (QCAs), certain observations were noticed in adopting the clauses viz.2.1(a),2.1(j),4.1,6.3 & 2.1(aa) in day to day operation of grid with the mix of VRE generation & conventional generation and of the view to amend the above clauses. A detailed Report was prepared by APSLDC consolidating the difficulties faced by them in day to day operation of grid.

In order to overcome the aforementioned challenges faced by APSLDC in real-time operations, I am directed to submit the detailed report as cpproved by CMD/APTransco and as received from APSLDC on the above issues for appraising the same to Hon'ble Commission and for issuing a suitable amendments to the regulation clauses for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in Andhra Pradesh.

Encl: Detailed Report

1



Yours faithfully,

Chief General Manager/ HRD & Planning

2

DETAILED REPORT

:

The Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC) during August, 2017, had passed the Regulation No.4 of 2017 on Forecasting, Scheduling and Deviation Settlement of Wind & Solar Generation in 2017 and are effective from 21.08.2017 subject to levy and collection of deviation charges with effect from 1.7.2018. Presently, Solar & Wind Generation forecasting and scheduling for wind and solar generators are being done by Qualified Co-ordinating Agencies (QCAs) and deviation settlements are carried out as per terms of said Regulation 4 of 2017. The QCAs namely, STATKRAFT, MANIKARAN, RE-CONNECT, etc are engaged by Solar & Wind Generators for submitting forecast & schedules to the SLDC. *TULUUUUUUUUUUUUUUUUUU*

6

5

C;

C:

6

6

6

5

C

6

C:

4

e

e

2

e

2. At present AP Grid system is operated in the range of 5300MW to 10170 MW on real time basis with the mix of RE Generation of installed capacity of 7500MW. It is to submit that forecast of generation on day ahead basis has become a challenging task to APSLDC because of the following factors:

- (i) huge mix of inconsistent of VRE Generation;
- (II) Intra day changes in the VRE forecasts
- (iii) wide variations in the day ahead forecast and the actual realisation of VRE
- (iv) long durations for cold/warm starts for the thermal plants

(v) unavailability of intra day power due to sudden variability of VRE

The system is to be operated in a reliable and economical manner. The Deviation Charges of over injection and under injection of RE generators were fixed by Hon'ble APERC. Prior to the addition of large scale of VRE, Variable Renewable Energy (wind & solar) integration in AP Grid, there were negligible uncertainities in the operation of Grid. But with large scale VRE integration, the system planning has become almost impossible and system operator is forced to handle several uncertainities from the resources including conventional generation. The uncertainities of VRE is affecting the reliability of the conventional generators as well.

-11-

3. Normally Power Planning is carried out on day ahead basis to meet grid demand for the next day. It is observed that there were several instances of large variations in VRE generation during the course of day, in absolute terms ranging from 50MW to 2000 MW (over injection or under injection), between Forecast & actual generation. Discoms cannot arrange such quantum of power at short notice and are forced to either give load relief or purchase power at exorbitant prices during intra day market operations. No power market mechanism is also available to get power at short notices. In this scenario, SLDC purely depends upon over drawi from grid resulting in receiving violation notices from SRLDC to adhere to the IEGC Regulations, 2010, amended from time to time.

15

-12-

1995年1月1日日日期的日本

4. Load relief is becoming inevitable in order to abide by the instructions of SRLDC and as a result we are witnessing uproar among the public. Such instances occurred in June, 19 & September, 2019 and it became issue/point for discussion in State Legislative Assembly. Therefore, it is essential that the Forecast of VRE generation by QCAs matches with actuals. At present the regulations allow wide deviations from the forecast without any liability on part of the either QCA or the VRE Generators. Hence, the allowable deviation need to be narrowed down and deviation settlement charges levied for deviation are to be raised to make the generators more responsible for effective functioning of the grid.

5. The Objective of Regulation 4 of 2017 on Forecasting, scheduling and deviation settlement of solar and wind generation is to maintain grid discipline and grid security as envisaged under the Grid Code through commercial mechanism for Deviation Settlement. However, the said objective of the regulations are not realized as the utilities are facing difficulties with uncertainity in VRE generation. Against this backdrop, APERC Is requested to amend certain provisions in the Regulation 4 of 2017. The required amendments together with justification for such amendments are stated hereunder:

Amendment 1. The clause 2.1 (a) of APERC's Regulation 4 of 2017 reads, "Absolute Error" means the absolute value of the error in the actual injection of wind or

-13-

solar generators with reference to the scheduled generation and the Available Capacity (AVC), as calculated using the following formula for each 15 minute time block 6

C

6

C:

6

2

e

0000

"N

Absolute Error (%) = 100 X (Actual Injection - Scheduled Generation)/AVC

Amendment proposed:

Substitute the term 'absolute error' with 'forecast error'.

Substitute the term 'Available Capacity' with 'Scheduled Generation' for calculating Forecast error as per following formula.

Forecast Error (%) = $100 \times ($ Schedule Generation – actual Injection)/Scheduled Generation.

Justification

:

- The formula for error should invariably contain one of the two parameters in the numerator as well as in the denominator.
- The absolute error defined in the Regulation contains an unrelated parameter in the denominator.
- Grid requirements are planned duly taking into account of the forecast/schedules from RE generation on day ahead basis which will be taken into account together with other sources.
- Any deviation of such forecast in VRE generation is burden to the utility. By dividing the deviation with available capacity as stated in present regulations, the error becomes infinitesimal and the regulation becomes redundant or toothless.
- Further, since the RE generation never reaches of its maximum capacity i.e., available capacity, the denominator should be replaced with scheduled generation.
- Therefore amendment to definition 'Absolute Error' is necessary in the interest of justice

17 a buind the off statutes.

Amendment 2. The clause 2.1(j) of Regulation 4 of 2017 reads, "deviation in a time block for a seller means its total actual injection minus its total scheduled generation."

Amendment proposed:

The definition of phrase 'Allowable forecast error' in percentage should be considered for inclusion.

'Allowable forecast error' = $100 \times (\text{diversity factor } 0.7 \text{ in control area in the beginning of financial year}) \times (\text{quantum of deviation limit permitted under CERC's DSM Regulation amended from time to time}) / (quantum of VRE installed capacity)$

Justification

- The Hon'ble CERC allows a deviation limit of only ± 250 MW for RE Rich States.
- For VRE capacity of 7500 MW in the state of AP, forecast error of 15% will result in 1125 MW deviation which is not allowed by CERC.
- The deviation in positive direction results in backing down of conventional generation and violation notices are served by SRLDC on SLDC to adhere to IEGC Regulations while taking corrective steps for maintaining loadgeneration balance. Deviation in negative direction results in deficit conditions which require resources to bridge the gap between load and generation.
- The deviation of maximum allowable quantum of 1125 MW variation in downward direction will fesult in over drawl from grid beyond the permissible limits and in that event it would lead to load shedding in real time operation of grid since spinning reserves are not available from conventional sources.
- To overcome this, it is proposed to introduce allowable forecast error to maintain & handle the AP grid system in real time operation.
- For example for installed VRE capacity of 7300MW in the State of AP, considering the diversity factor as 0.7 and 250 MWs deviation limit permitted under CERC's Regulations, the allowable forecast error will be 4.89% or say 5%.

· The deviation settlement charges will not be levied below the allowable forecast error.

18

-15-

- Therefore it is proposed to introduce Allowable forecast error in the Regulation.
- Amendment 3. The clause 4.1 of Regulation 4 of 2017 reads Quote: "The Methodology for day-ahead scheduling of wind and solar Energy generating stations which are connected to the Grid and rescheduling them on one and half hourly basis and the methodology of handling deviations of such wind and solar energy generating stations shall be as stated here under and accordingly forecasting tools shall be provided by the generator concerned."

Amendment proposed;

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

Justification

- The objective of bringing this Regulation is to maintain grid discipline and grid security as envisaged under the grid code through commercial mechanism for deviation settlement.
- Discoms have to plan the resources for meeting the demand on day ahead basis. The resources include all conventional and RE Generators. Accordingly Discoms optimise the purchase and sell power through Power Exchanges.
- The deviation in forecast results in deficit or surplus power condition. Under deficit condition there will be deviation in drawl and Discoms have to pay high price for the power that is required to bridge the gap by availing high cost URS power or purchasing power at high cost from the exchanges during the course of the day.
- That apart SLDC would suffer with violation notices by SRLDC, forcing Discoms to resort to load shedding in case the above desired action is not realised.

1	9		1
. •	J		
海南	初期	阿姆阿	-Series

 The deviation settlement charges will not be levied below the allowable forecast error.

-16-

 Therefore it is proposed to introduce Allowable forecast error in the Regulation.

Amendment 3. The clause 4.1 of Regulation 4 of 2017 reads Quote: "The Methodology for day-ahead scheduling of wind and solar Energy generating stations which are connected to the Grid and rescheduling them on one and half hourly basis and the methodology of handling deviations of such wind and solar energy generating stations shall be as stated here under and accordingly forecasting tools shall be provided by the generator concerned."

Amendment proposed:

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

Justification

- The objective of bringing this Regulation is to maintain grid discipline and grid security as envisaged under the grid code through commercial mechanism for deviation settlement.
- Discoms have to plan the resources for meeting the demand on day ahead basis. The resources include all conventional and RE Generators. Accordingly Discoms optimise the purchase and sell power through Power Exchanges.
- The deviation in forecast results in deficit or surplus power condition. Under deficit condition there will be deviation in drawl and Discoms have to pay high price for the power that is required to bridge the gap by availing high cost URS power or purchasing power at high cost from the exchanges during the course of the day.

;

 That apart SLDC would suffer with violation notices by SRLDC, forcing Discoms to resort to load shedding in case the above desired action is not realised. Such load shedding turns contrary to the policy mandate given by Govt. to maintain 24x7 power supply to all categories of consumers.

-(7-

- The forecasting and scheduling Tool of VRE generators must be effective to mitigate the power shortage as well as back down of generation. As per Regulations on F & S, the generation from day ahead schedule of VRE power generation gives the quantum of variable energy for assessing the conventional energy requirements on day ahead basis.
- The day ahead schedule of VRE generators is crucial for any grid management which is deciding the quantum of power allocation from other sources. If day ahead forecast & scheduling is accurate in respect of VRE generators, there will not be any power shortage and it would mitigate the backdown instructions.
- SLDC is required to have accurate day ahead schedule from each wind & solar generator to avoid any variation of capacity allocation from other sources or to avoid compulsory load shedding.
- QCAs are submitting forecast and schedules on day ahead and intra day revision. Discoms are planning their availability to meet the grid demand on day ahead basis and tie up power accordingly. Discoms are not able to cope up with the deficit/surplus arising due to variation in VRE Generation in real time operation because of the following reasons

(1) Power market mechanism is not mature

(2) Warm and cold start-up which will take longer time to reach full load

(3) Discoms have to tie up power subject to availability from all sources.

Hence, APDiscoms invariably resort to load shedding with a view to adhere to the IEGC Regulations.

Amendment 4. As per the provision 6.3 of Regulation 4 of 2017, the deviation charges for over or under injection for sale/supply of power within the State are tabulated here under:

S.No		Deviation charges payable to State Pool Account
1	<= 15%	None

20

22

-18-

21

and the state of the second second

2	>15 but <=25%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25%
3	>25% but <=35%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25% + Rs.1 per unit for balance energy beyond 25% and upto 35%
4	>35%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25% + Rs.1 per unit for balance energy beyond 25% and upto 35% + Rs.1.50 per unit for balance energy beyond 35%

Amendment proposed:

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 State Pool Account
1	< Allowable Forecast Error /	None
2	Above Allowable forecast error	At Rs.2.00 per unit for the shortfall or excess injection

;

Justification

• With regard to VRE Generation, during the real time operation of Grid, huge variation occurs between the forecast schedules and actual generation. Due to error in forecast of RE Generation, Discoms are resorting to purchase high cost power from power exchange.

X

1

 On Many occasions, Discoms have purchased at the rate of 660 paise per unit. That means, Discoms are incurring Rs.2 per unit more than the average VRE power purchase cost.

19-

- Even in that eventuality, sufficient power is not available at that point of time.
 Hence, Discoms have to go for load relief which has deleterious effect on State
 GDP. Considering an Energy elasticity of GDP of 0.8, this translates to crores of rupees in losses to the State GDP.
- Another aspect of difficulty in this regard is if the actual VRE generation is more than the forecast, conventional generation has to be backdown which has associated costs to be borne by the Discom. The following are associated costs involved in over injection which comes to Rs.2 per unit

Adequacy costs Rs.1.60 per unit

1

Balancing costs Rs. 0.40 per unit

The adequacy costs of 1.60 paise per unit is derived by considering the difference between VRE costs and weighted average pooled variable cost. The balancing costs of 0.40 per unit arrived at considering the deterioration of station heat rate, increased oil consumption, and excluding wear & tear of the equipment when thermal stations are required frequently backed down,.

Amendment 5. The clause 2.1 (aa) of Regulation 4 of 2017 reads, "Virtual Pool means the virtual grouping of various pooling stations wherein the generators in such pooling stations have an option for accounting their deviational in an aggregated / combined manner through a QCA for the purpose of availing the benefit of larger geographical area and diversity."

Amendment proposed:

The definition phrase of virtual pooling may be considered to be deleted from definition 2.1 (aa) and also be deleted at clause 6.9 of Regulation 4 of 2017.

23

Justification

>

3

-

....

-

-

3

nnnnn n

 As per Regulation 2.1(aa), All the schedules and actuals of generators are aggregated while calculating the DSM. This Provision is not available in any State which were framed by respective Regulatory Commissions.

-20-

 Indiscipline to grid caused by few generators is shared and spread over to among all generators in the virtual pool.

6. All the above issues have surfaced during implementation of provisions of Regulation 4 of 2017: The said issues are being encountered by the grid operator in real time operation of grid. It is, therefore, requested to amend the several clauses stated above in the Regulation 4 of 2017, in public interest.

;



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION <u>11-4-660, 4th Floor, Singareni Bhavani, Red Hills, Hyderabad - 500 004.</u> Phone 040-23397381 Web site: aperc.gov.in e-mail:commn-secy@aperc.gov.in

Public-Notice 0.P.No.2 of 2020 In the matter of Amendment to Regulation No. 4 of 2017

The Chief General Manager/HRD and Planning, APTRANSCO vide letter No.CGM/HRD&Plg./SE/Plg/EE/RAC&Reforms/APERC/D.No.121/2019, dated 10-12-2019 submitted that the Chief Engineer, APSLDC has informed that during implementation of the Regulation 4 of 2017 (APERC Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Regulation, 2017) which is effective from 01.07.2018 for levying and collection of deviation charges from Qualified Coordinating Agencies (QCAs), certain observations were noticed in adopting the Clauses viz., 2.1 (a), 2.1 (j), 4.1, 6.3 and 2.1 (aa) in day to day operation of grid with mix of VRE generation and conventional generation and of the view to amend the above Clauses. A detailed report was prepared by APSLDC consolidating difficulties faced by them in day to day operation of the grid and requested for suitable amendments to the said Regulation. The amendments are stated to be for ensuring the integrated grid operations and for achieving maximum economy and efficiency in the operation of power system in Andhra Pradesh.

Copies of the above mentioned letter together with detailed report consisting of amendments and justification there for are placed in the website of the Commission inviting the views / objections / suggestions from any stakeholders on the subject matter on or before 04.03.2020. Any interested stakeholder is free to inspect the above said documents which are the subject matter of consideration, at the office of the Commission on any working day during working hours.

Further to the above, also TAKE NOTICE that the Commission will hold a Public Hearing on 10th March, 2020 (Tuesday) at 10.30hrs in the court hall of APERC. All interested persons / stakeholders desirous of being heard in person may appear before the Commission on the above said date and present their views.

 Place: Hyderabad, Date: 13-02-2020.

:

Sd/-Commission Secretary (i/c)

25			
特約	1.2.2.3	湖南	20091

AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED CIN: U40108TG2011PTC075928

//Without prejudice//

February 20, 2020

2

The Andhra Pradesh Electricity Regulatory Commission 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, <u>Hyderabad- 500 004</u>

Kind attention: The Secretary

Sub: Public notice dated 13.02.2020 regarding public hearing to be held on 10.03.2020 in respect of proposed amendment of Regulation 4 of 2017 i.e., APERC (Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation) Regulations, 2017

Dear Sir,

With reference to the above subject, we would like to bring to your attention that several wind and solar companies across the country have challenged legal and constitutional validity of Forecasting, Scheduling and DSM mechanism Regulations passed by respective State Electricity Regulatory Commissions in various High Courts and interim orders were also passed to the effect that no coercive actions be taken against the renewable energy generating companies.

Similarly, aggrieved by the APERC (Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation) Regulation, 2017" i.e. Regulation No. 4 of 2017 (herein after referred to as 'Regulations'), we and other wind and solar companies have also filed Writ Petitions before the Hon'ble High court of Andhra Pradesh challenging the legal and constitutional validity of Regulation No. 4 of 2017.

The Hon'ble Supreme Court in an order passed on 26.04.2019 in Civil Appeal No. 4404 of 2019 has remitted the matter to the Hon'ble AP High Court to adjudicate on the issues of legal and constitutional validity of the Regulations.

Therefore, please note that the validity of the Regulations itself is under judicial review by the Hon'ble High Court in WP 5706 of 2019, WP 13860 of 2019 and a batch of writ petitions. During the pendency of these writ petitions, the Hon'ble High Court has passed interim orders in these writ petitions directing the APTRANSCO / SLDC not to take any coercive action pending the disposal of the writ petitions and to maintain status quo.

For ready reference we are hereby enclosing the copies of order passed by the Hon'ble Supreme Court and the Hon'ble High Court.

Contd..2..

;

Regd. Office: Plot No.8-2-293/82/A/1131A, Road No. 36, Jubilee Hills, Hyderabad – 500033, Telangana Ph. No.: 040 - 4030 1000 Fax No. 91(040)-40301101, E-mail: Info@greenkogroup.com AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED CIN: U40108TG2011PTC075928

-23-

1

Page 2/2

We, therefore, in the interest of justice and fair play, request you to adjourn the above proceedings with regard to amendment of the said Regulation No. 4 of 2017 and also adjourn the proposed public hearing until such time the Hon'ble High Court finally pronounces its verdict on legal and constitutional validity of the Regulations.

Thanking you,

:

Yours sincerely For and behalf of Axis Wind Farms (MPR Dam) Private Limited and other Companies (*)

Neer

Authorised Signatory

Encl: 1. List of Companies (*)

- 2. Order of the Hon'ble Supreme Court dated 26.04.2019
- 3. Order of the Hon'ble High Court of Andhra Pradesh dated 30.12.2019

Regd. Office: Plot No.8-2-293/82/A/1131A, Road No. 36, Jubilee Hills, Hyderabad – 500033, Telangana Ph. No.: 040 - 4030 1000 Fax No. 91(040)-40301101, E-mall: info@greenkogroup.com



-25-

1

From: <u>tracker@dtdc.com</u> <<u>tracker@dtdc.com</u>> Sent: 02 March 2020 13:13 To: Krishna Kumari N <<u>kkumari.n@greenkogroup.com</u>> Subject: Tracking Update of your DTDC Con<H18502052>

Deer Customer,

:

Recently you have visited our site end asked for tracking result for Consignment No.: H18502052

Please find the details below:

Consignment Details...



angemen St dpds, Das

Shipment No.: H18502052 Reference No.: 121157158698 Last Status: Successfully Delivered Received Date: 24th feb 20 No. of Places: 1 Booked By: Received By: Retotionship:

With Thanks, DTDC Express Ltd. #3,DTDC House, Victoria Rosd, Bangalore - 47. Ph: 2535632/39, 25544127 http://www.dtdc.com



ANANTAPURAM DISTRICT

ole

HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATHI

I.A.NO. OF 2020

IN W.P.NO. 13860 OF 2019

12170

STAY PETITION

FILED ON: 03.03.2020

FILED BY:

M/s P. Vikram (8227) N. Jeevan Kumar D. Yathindra Dev, M. Abhinay Reddy

Counsel for Petitioners

:

IN THE HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATI

I.A.NO. 3 OF 2020 IN W.P. No.15513 of 2019

BETWEEN:

(P)

M/s Animala Wind Power Private Limited and others

And

State of Andhra Pradesh Represented by its Principal Secretary, Electricity Department & 2 Others

.....Respondents

.....Petitioners

RUNNING INDEX

S.No	Particulars	Date of Document	Date of Filing of Document	Page Nos.
1.	Copy of Petition and Affidavit	03.03.2020	03.03.2020	1-9
2.	Annexure A Copy of Letter written by APTRANSCO to Secretary APERC seeking for Amendments in Regulation	10.12.2019	-do-	10-20
3.	Annexure B Copy of Public Notice issued by APERC for holding Public Hearing on Amendments proposed by APTRANSCO	13.02.2020	-do-	21
4.	Annexure C Copy of the letter dated 20.02.2020 addressed to APERC alongwith Courier Tracking Report.	20.02.2020	-do-	22-25

Place: Amaravathi Date: 03.03.2020 V[°] K Counsel for Petitioners ;



- (-MEMORANDUM OF WRIT PETITION MISC. PETITION

(UNDER SEC. 151 OF THE C.P.C) IN THE HIGH COURT FOR THE STATE OF ANDHRA PRADESH

AT AMARAVATI

I.A.NO. 3 OF 2020 IN W.P. No.15513 of 2019

Between:

M/s. Animala Wind Power Private Limited,
 A company incorporated under the Companies Act, 1956
 And having its registered office at
 Plot No.1366, Road No.45
 Jubilee Hills, Hyderabad,
 Telangana - 500 033
 Rep by its Authorized Signatory
 Mr.Suryanarayana Peri

2. M/s Anantapura Wind Energies Private Limited, A Company incorporated under the Companies Act, 1956 And having its office at Plot No.1071, Road No.44 Jubilee Hills, Hyderabad, Telangana - 500 033 Rep by its Authorized Signatory Mr.Suryanarayana Peri

3. M/s Sandla Wind Project Private Limited,
A Company incorporated under the Companies Act, 1956
And having its office at
72, Madhuban, NR,
Madlapur Under Bridge, Ellisbridge,
Ahmedabad - 380 006
Rep by its Authorized Signatory
Mr.Suryanarayana Peri

4. M/s SEI Green Flash Private Limited,
A Company incorporated under the Companies Act, 1956
And having its office at
10th Floor, Menon Eternity,
Old No.110, New No.165, /
St.Marys Road, Alwarpet,
Chennai - 600 018, Tamilnadu
Rep by its Authorized Signatory
Mr.Suryanarayana Peri

5. M/s Skeiron Renewable Energy Amidyala Limited, A Company incorporated under the Companies Act, 1956 And having its office at Plot No. Godrej Millennium, 5th Floor, 9, Koregaon Park Road, Pune - 411 001, Maharashtra Rep by its Authorized Signatory Mr.Suryanarayana Peri

6. M/s Orange Anantapur Wind Power Private Limited, A Company incorporated under the Companies Act, 1956 And having its office at F-9, 1st Floor, Manish Plaza, Plot No.7, MLU, Sector - 10, Dwaraka, New Delhi - 110 075
⁵ Rep by its Authorized Signatory Mr.Suryanarayana Peri

7. M/s Zuvan Energy Private Limited,
A Company incorporated under the Companies Act, 2013
And having its office at
Menon Eternity, 10th Floor,
New No.165, Old No.110,
St.Marys Road, Alwarpet,
Chennai - 600 018
Rep by its Authorized Signatory
Mr.Suryanarayana Peri

8. M/s Divyesh Power Private Limited,
A Company incorporated under the Companies Act, 2013
And having its office at
Menon Eternity, 10th Floor,
New No.165, Old No.110,
St.Marys Road, Alwarpet,
Chennai - 600 018
Rep by its Authorized Signatory
Mr.Suryanarayana Peri

9. M/s SEI Baskara Power Private Limited,
A Company incorporated under the Companies Act, 2013
And having its office at
Menon Eternity, 10th Floor,
New No.165, Old No.110,
St.Marys Road, Alwarpet,
Chennai - 600 018
Rep by its Authorized Signatory
Mr.Suryanarayana Peri

10. M/s SEI EnerStar Renewable Energy Private Limited, A Company incorporated under the Companies Act, 2013 And having its office at Menon Eternity, 10th Floor, New No.165, Old No.110, St.Marys Road, Alwarpet, Chennai - 600 018 Rep by its Authorized Signatory Mr.Suryanarayana Peri

..... Petitioners

-2-

- 3-And Pradesh.

35

- State of Andhra Pradesh. Represented by its Principal Secretary, Electricity Department, Andhra Pradesh Secretariat, Velagapudi, Amaravathi. Guntur District – 522 503.
- Andhra Pradesh Electricity Regulatory Commission 11-4-660, 4th Floor, Singareni Bhavan, Red Hills Road, Khairatabad, Hyderabad, Telangana 500004.
- AP State Load Dispatch Center Transmission Corporation of Andhra Pradesh Limited 3rd Floor, APSLDC Building, Vidyut Soudha, Gunadala, Vijayawada, AP -520004

.... Respondents

For the reasons and circumstances stated in the accompanying affidavit the Petitioner herein prays that during the pendency of the present Writ Petition this Hon'ble Court may kindly be pleased to Stay the operation of the public notice dated 13.2.2020 issued by the Respondent, APERC (Annexure B) to consider proposed amendments to the impugned regulations i.e. to Regulation no.4 of 2017 - APERC (Forecasting, Scheduling and Deviation Settlement Mechanism for wind and solar generation sources) Regulations, 2017 and pass such other order this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of justice and fair play.

Place: Amaravathi Date: 03.03.2020 √°k Counsel for Petitioners

;


IN THE HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATI

-4-

I.A.NO. 3 OF 2020 IN W.P. No.15513 of 2019

BETWEEN:

M/s Animala Wind Power Private Limited and others

And

State of Andhra Pradesh Represented by its Principal Secretary, Electricity Department & 2 Others

.....Respondents

.....Petitioners

AFFIDAVIT FILED ON THE BEHALF OF THE PETITONERS

I, Suryanarayana Peri, S/o. Rama Rao, Aged about 54 Years, Occupation: AGM (Commercial) of Petitioner No.1 Company, R/o. Trimurti Residency, Gandhinagar, Secunderabad, having temporarily come down to Amaravathi, do hereby solemnly affirm and state as follows:

- I am the duly authorized signatory of Petitioner No.1 to 10 Companies as such I am well acquainted with the facts of the case and deposing this on behalf of the Petitioner companies.
- 2. I submit that the Petitioners filed the present Writ Petition challenging the vires of the impugned regulation i.e. APERC Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Regulation, 2017 (Regulation 4 of 2017) and this Hon'ble Court was pleased to admit the Writ Petition on 31.12.2019 and directed to list the same for final hearing. Further, this Hon'ble Court passed interim orders directing the Respondents not to take any coercive steps against the Petitioners.

-5-

3.

:

4.

I further submit that similar Writ Petitions i.e. WP 781 of 2018, WP 5706 of 2019, WP 13860 of 2019 were filed by other wind and solar generating companies and this Hon'ble Court also admitted these Writ Petitions and listed for final hearing. Similar interim orders as stated above were passed in these Writ Petitions also.

- I further submit that, while the matter is sub-judice the Respondent SLDC - APTRANSCO is forcefully implementing the impugned regulations to the detriment of the solar and wind generation in the State. Further, the Respondent SLDC submitted a report vide its letter dated 10.12.2019 to Respondent APERC requesting for amendments to the impugned regulations. A copy of the letter dated 10.12.2019 is annexed herewith as Annexure – A.
- 5. I further submit that the Respondent APERC based on the aforesaid letter issued a public notice on 13.02.2020 inter alia stating that APSLDC requested for amendments to regulations 2.1 (a), 2.1 (j), 4.1, 6.3 and 2.1 (aa) of the impugned regulations. It is submitted that, by way of the said public notice the Respondent Commission directed / invited views / objections / suggestions from any stakeholders on the proposed amendments (as sought by APSLDC) on or before 04.03.2020. Further, it was notified through said public notice that the Respondent Commission will hold a public hearing on 10.03.2020. A copy of the public notice dated 13.02.2020 is annexed herewith and marked as,Annexure B.
- 6. I further submit that one of the Generating Companies namely Axis Wind Farms (MPR Dam) Pvt Ltd vide their letter dated 20.02.2020 has submitted to the Respondent Commission that the legal and constitutional validity of

ø

the impugned regulations are sub-judice before this Hon'ble Court and accordingly requested to adjourn the proceedings under public notice dated 13.02.2020 including the proposed public hearing. A copy of the letter dated 20.02.2020 is annexed hereto and marked as Annexure – C.

39

6-

- 7. I further submit that the impugned regulations are contrary to the provisions of the parent act i.e, Electricity Act, 2003 and also are in violation of Art 14 and 19(1)(g) of the Constitution of India. In this regard, the petitioners crave to rely upon the pleadings in the Writ Petition in support of the prayer for interim relief in the present Application. It is submitted that the Respondent APSLDC despite being a party Respondent in the above Writ Petitions has suppressed the material fact of pendency of the above Writ Petitions challenging the vires of the impugned regulations. Further, the Respondent Commission till date has not responded to the request of the Petitioners to defer the proceedings with regard to proposed amendment to the impugned regulations.
- 8. I further submit that, the Respondent Commission being a party Respondent in the above Writ Petitions ought not to have issued public notice to amend the impugned regulations when its power to notify the regulations are under challenge. Further, the APSLDC being a state entity ought to have brought to the attention of the Respondent Commission of pendency of these Writ Petitions. Thus, it appears the entire exercise of proposed amendments appears to be not a bonafide exercise of statutory powers by the Respondent Commission and also by the Respondent APSLDC. Therefore, these proposed proceedings are liable to be stayed until the legal and constitutional validity of the impugned regulations is finally adjudicated by this Hon'ble Court.

;

I further submit that by way of proposed amendments, APSLDC is virtually making an attempt to remove the error bands and to increase the DSM charges and thereby to make RE generation in the State virtually unviable. If the proposed amendments get implemented, wind and solar projects will become unviable as more than 20% revenue will be levied by the way of DSM penalty. It appears that the Respondent APTransco is using the proposed amendment to the Impugned Regulation indirectly to reduce the tariff of Wind & Solar projects in the State which was duly approved by the Commission and acted upon by the parties.

10. I further submit that the proposed amendments to impugned regulations are against the provisions of the Electricity Policy, Renewable Energy Policies of the State, contrary to provisions of the Electricity Act, 2003 and therefore are against the interests of renewable energy in the State. In addition, the proposed amendments to the impugned regulations are in violation of the Constitutional provisions. If amendments are given effect to, it will lead to virtual stoppage of RE generation in the State. Therefore, if the proposed amendments to the impugned regulations are rushed through when the main regulations are under challenge before this Hon'ble Court, it will have serious ramifications and adverse effects on wind and solar generating companies. 11. I submit that, the proposed amendments if implemented will be onerous on the Petitioners and Petitioners will be made liable and will be penalized for no fault of theirs on the alleged ground of deviations from the forecasted power schedules.

9.

:

12. I submit that the Petitioners would be gravely prejudiced and will be put to irreparable loss if the proposed amendments are implemented. The Petitioners therefore have a strong prima facie case in their favor and balance of convenience is in the favor of petitioners and against the Respondents. Further, the proposed amendments are not in public interest as claimed by the SLDC or otherwise.

41

It is therefore respectfully prayed that during the pendency of the present Writ Petition, this Hon'ble Court may kindly be pleased to Stay the operation of the public notice dated 13.2.2020 issued by the Respondent, APERC (Annexure B) to consider proposed amendments to the impugned regulations i.e. to Regulation no.4 of 2017 – APERC (Forecasting, Scheduling and Deviation Settlement Mechanism for wind and solar generation sources) Regulations, 2017 and pass such other order this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of justice and fair play.

Solemnly affirm and state on oath on this the 3rd day of March, 2020, at Amaravathi

DEPONENT

;

Before me

Advocate: Amaravathi

VERIFICATION

I, P.V.N. Suryanarayana Rao Son of Sri. Rama Rao, aged about 54 years, Authorized signatory of the Petitioners companies, R/o Hyderabad, being the petitioner / person acquainted with the facts do hereby verify and state that the contents in the above paras and are true to my personal knowledge and facts are true to my knowledge based on records and believed to be correct and are based on legal advice believed to be correct. Hence, verified on the 3rd day of March, 2020.

パル COUNSEL FOR PETITIONERS

DEPONENT



10.

43

Sir,

000000000

13

Sub: APTRANSCO - Regulation 4 of 2017 for forecasting, Scheduling & Deviation Settlement of Solar and Wind generators - Issuing of suitable Amendments to Regulation by APERC - Requested - Reg.

Ref: - Regulation 4 of 2017 issued by Hon'ble APERC

**

It is to submit that, Chief Engineer/APSLDC has informed that during implementation of the Regulation 4 of 2017 issued by APERC for forecasting, Scheduling & Deviation Settlement of Solar and Wind generators which is effective from 1.7.2018 for levying and collection of Deviation charges from Qualified Co-ordinating Agenciec (QCAs), certain observations were noticed in adopting the clauses viz.2.1(a),2.1(j),4.1,6.3 & 2.1(aa) in day to day operation of grid with the mix of VRE generation & conventional generation and of the view to amend the above clauses. A detailed Report was prepared by APSLDC consolidating the difficulties faced by them in day to day operation of grid.

In order to overcome the aforementioned challenges faced by APSLDC in real-time operations, I am directed to submit the detailed report as cpproved by CMD/APTransco and as received from APSLDC on the above issues for appraising the same to Hon'ble Commission and for issuing a suitable amendments to the regulation clauses for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in Andhra Pradesh.

Encl: Detailed Report



Yours faithfully,

rebely 5.12.19 Chief General Manager/ HRD & Planning

2

DETAILED REPORT

-11-

The Hon'ble Andhra Pradesh Electricity Regulatory Commission (APERC) during August, 2017, had passed the Regulation No.4 of 2017 on Forecasting, Scheduling and Deviation Settlement of Wind & Solar Generation in 2017 and are effective from 21.08.2017 subject to levy and collection of deviation charges with effect from 1.7.2018. Presently, Solar & Wind Generation forecasting and scheduling for wind and solar generators are being done by Qualified Co-ordinating Agencies (QCAs) and deviation settlements are carried out as per terms of said Regulation 4 of 2017. The QCAs namely, STATKRAFT, MANIKARAN, RE-CONNECT, etc are engaged by Solar & Wind Generators for submitting forecast & schedules to the SLDC.

2. At present AP Grid system is operated in the range of 5300MW to 10170 MW on real time basis with the mix of RE Generation of installed capacity of 7500MW. It is to submit that forecast of generation on day ahead basis has become a challenging task to APSLDC because of the following factors:

- (I) huge mix of inconsistent of VRE Generation;
- (II) intra day changes in the VRE forecasts
- (iii) wide variations in the day ahead forecast and the actual realisation of VRE
- (iv) long durations for cold/warm starts for the thermal plants
- (v) unavailability of intra day power due to sudden variability of VRE

The system is to be operated in a reliable and economical manner. The Deviation Charges of over injection and under injection of RE generators were fixed by Hon'ble APERC. Prior to the addition of large scale of VRE, Variable'Renewable Energy (wind & solar) integration in AP Grid, there were negliligible uncertainities in the operation of Grid. But with large scale VRE integration, the system planning has become almost impossible and system operator is forced to handle several uncertainities from the resources including conventional generation. The uncertainities of VRE is affecting the reliability of the conventional generators as well.

-12-

45

3. Normally Power Planning⁴Is carried out on day ahead basis to meet grid demand for the next day. It is observed that there were several instances of large variations in VRE generation during the course of day, in absolute terms ranging from 50MW to 2000 MW (over injection or under injection), between Forecast & actual generation. Discoms cannot arrange such quantum of power at short notice and are forced to either give load relief or purchase power at exorbitant prices during intra day market operations. No power market mechanism is also available to get power at short notices. In this scenario, SLDC purely depends upon over drawi from grid resulting in receiving violation notices from SRLDC to adhere to the IEGC Regulations, 2010, amended from time to time.

4. Load relief is becoming inevitable in order to abide by the instructions of SRLDC and as a result we are witnessing uproar among the public. Such instances occurred in June, 19 & September, 2019 and it became issue/point for discussion in State Legislative Assembly. Therefore, it is essential that the Forecast of VRE generation by QCAs matches with actuals. At present the regulations allow wide deviations from the forecast without any liability on part of the either QCA or the VRE Generators. Hence, the allowable deviation need to be narrowed down and deviation settlement charges levied for deviation are to be raised to make the generators more responsible for effective functioning of the grid.

5. The Objective of Regulation 4 of 2017 on Forecasting, scheduling and deviation settlement of solar and wind generation is to maintain grid discipline and grid security as envisaged under the Grid Code through commercial mechanism for Deviation Settlement. However, the said objective of the regulations are not realized as the utilities are facing difficulties with uncertainity in VRE generation. Against this backdrop, APERC is requested to amend certain provisions in the Regulation 4 of 2017. The required amendments together with justification for such amendments are stated hereunder:

Amendment 1. The clause 2.1 (a) of APERC's Regulation 4 of 2017 reads, "Absolute Error" means the absolute value of the error in the actual injection of wind or solar generators with reference to the scheduled generation and the Available Capacity (AVC), as calculated using the following formula for each 15 minute time block

Absolute Error (%) = 100 X (Actual Injection – Scheduled Generation)/AVC

Amendment proposed:

:

Substitute the term 'absolute error' with 'forecast error'.

Substitute the term 'Available Capacity' with 'Scheduled Generation' for calculating Forecast error as per following formula.

Forecast Error (%) = $100 \times ($ Schedule Generation – actual Injection)/Scheduled Generation.

Justification

- The formula for error should invariably contain one of the two parameters in the numerator as well as in the denominator.
- The absolute error defined in the Regulation contains an unrelated parameter in the denominator.
- Grid requirements are planned duly taking into account of the forecast/schedules from RE generation on day ahead basis which will be taken into account together with other sources.
- Any deviation of such forecast in VRE generation is burden to the utility. By dividing the deviation with available capacity as stated in present regulations, the error becomes infinitesimal and the regulation becomes redundant or toothiess.
- Further, since the RE generation never reaches of its maximum capacity i.e., available capacity, the denominator should be replaced with scheduled generation.
- Therefore amendment to definition 'Absolute Error' is necessary in the interest of justice

-13-

Amendment 2. The clause 2.1(j) of Regulation 4 of 2017 reads, "*deviation in a time block for a seller means its total actual injection minus its total scheduled generation."*

-14-

Amendment proposed:

1

The definition of phrase 'Allowable forecast error' in percentage should be considered for inclusion.

'Allowable forecast error' = $100 \times (\text{diversity factor } 0.7 \text{ in control area in the beginning of financial year}) \times (\text{quantum of deviation limit permitted under CERC's DSM Regulation amended from time to time}) / (\text{quantum of VRE installed capacity})$

Justification

D

D

3

3

3

2

2

3

3

3

3

3

000

3

3

- The Hon'ble CERC allows a deviation limit of only ± 250 MW for RE Rich States.
- For VRE capacity of 7500 MW in the state of AP, forecast error of 15% will result in 1125 MW deviation which is not allowed by CERC.
- The deviation in positive direction results in backing down of conventional generation and violation notices are served by SRLDC on SLDC to adhere to IEGC Regulations while taking corrective steps for maintaining loadgeneration balance. Deviation in negative direction results in deficit conditions which require resources to bridge the gap between load and generation.
- The deviation of maximum allowable quantum of 1125 MW variation in downward direction will result in over drawl from grid beyond the permissible limits and in that event it would lead to load shedding in real time operation of grid since spinning reserves are not available from conventional sources.
- To overcome this, it is proposed to introduce allowable forecast error to maintain & handle the AP grid system in real time operation.

2

For example for installed VRE capacity of 7300MW in the State of AP, considering the diversity factor as 0.7 and 250 MWs deviation limit permitted under CERC's Regulations, the allowable forecast error will be 4.89% or say 5%.

The deviation settlement charges will not be levied below the allowable forecast error.

-15-

 Therefore it is proposed to introduce Allowable forecast error in the Regulation. ACCONTRACTOR ACTION ACTION ACTION

Amendment 3. The clause 4.1 of Regulation 4 of 2017 reads Quote: "The Methodology for day-ahead scheduling of wind and solar Energy generating stations which are connected to the Grid and rescheduling them on one and half hourly basis and the methodology of handling deviations of such wind and solar energy generating stations shall be as stated here under and accordingly forecasting tools shall be provided by the generator concerned."

Amendment proposed:

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

Justification

-2

- The objective of bringing this Regulation is to maintain grid discipline and grid security as envisaged under the grid code through commercial mechanism for deviation settlement.
- Discoms have to plan the resources for meeting the demand on day ahead basis. The resources include all conventional and RE Generators. Accordingly Discoms optimise the purchase and sell power through Power Exchanges.
- The deviation in forecast results in deficit or surplus power condition. Under deficit condition there will be deviation in drawl and Discoms have to pay high price for the power that is required to bridge the gap by availing high cost URS power or purchasing power at high cost from the exchanges during the course of the day.
- That apart SLDC would suffer with violation notices by SRLDC, forcing Discoms to resort to load shedding in case the above desired action is not realised.

 The deviation settlement charges will not be levied below the allowable forecast error.

49

-16-

 Therefore it is proposed to introduce Allowable forecast error in the Regulation.

Amendment 3. The clause 4.1 of Regulation 4 of 2017 reads Quote: "The Methodology for day-ahead scheduling of wind and solar Energy generating stations which are connected to the Grid and rescheduling them on one and half hourly basis and the methodology of handling deviations of such wind and solar energy generating stations shall be as stated here under and accordingly forecasting tools shall be provided by the generator concerned."

Amendment proposed;

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

Justification

- The objective of bringing this Regulation is to maintain grid discipline and grid security as envisaged under the grid code through commercial mechanism for deviation settlement.
- Discoms have to plan the resources for meeting the demand on day ahead basis. The resources include all conventional and RE Generators. Accordingly Discoms optimise the purchase and sell power through Power Exchanges.
- The deviation in forecast results in deficit or surplus power condition. Under deficit condition there will be deviation in drawl and Discoms have to pay high price for the power that is required to bridge the gap by availing high cost URS power or purchasing power at high cost from the exchanges during the course of the day.

2

 That apart SLDC would suffer with violation notices by SRLDC, forcing Discoms to resort to load shedding in case the above desired action is not realised. Such load shedding turns contrary to the policy mandate given by Govt. to maintain 24x7 power supply to all categories of consumers.

-17-

- The forecasting and scheduling Tool of VRE generators must be effective to mitigate the power shortage as well as back down of generation. As per Regulations on F & S, the generation from day ahead schedule of VRE power generation gives the quantum of variable energy for assessing the conventional energy requirements on day ahead basis.
- The day ahead schedule of VRE generators is crucial for any grid management which is deciding the quantum of power allocation from other sources. If day ahead forecast & scheduling is accurate in respect of VRE generators, there will not be any power shortage and it would mitigate the backdown instructions.
- SLDC is required to have accurate day ahead schedule from each wind & solar generator to avoid any variation of capacity allocation from other sources or to avoid compulsory load shedding.
- QCAs are submitting forecast and schedules on day ahead and intra day revision. Discoms are planning their availability to meet the grid demand on day ahead basis and tie up power accordingly. Discoms are not able to cope up with the deficit/surplus arising due to variation in VRE Generation in real time operation because of the following reasons
 - (1) Power market mechanism is not mature
 - (2) Warm and cold start-up which will take longer time to reach full load
 - (3) Discoms have to tie up power subject to availability from all sources.

Hence, APDiscoms invariably resort to load shedding with a view to adhere to the IEGC Regulations.

Amendment 4. As per the provision 6.3 of Regulation 4 of 2017, the deviation charges for over or under injection for sale/supply of power within the State are tabulated here under:

S.No		Deviation charges payable to State Pool Account
1	<= 15%	None

2	>15 but <=25%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25%
3	>25% but <=35%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25% + Rs.1 per unit for balance energy beyond 25% and upto 35%
4	>35%	At Rs.0.50 per unit for the shortfall or excess energy for absolute error beyond 15% and upto 25% + Rs.1 per unit for balance energy beyond 25% and upto 35% + Rs.1.50 per unit for balance energy beyond 35%

Amendment proposed:

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 State Pool Account
1	< Allowable Forecast Error	None
2	Above 7 Allowable forecast error	At Rs.2.00 per unit for the shortfall or excess injection

Justification

 With regard to VRE Generation, during the real time operation of Grid, huge variation occurs between the forecast schedules and actual generation. Due to error in forecast of RE Generation, Discoms are resorting to purchase high cost power from power exchange. ;

111111

...

 On Many occasions, Discoms have purchased at the rate of 660 paise per unit. That means, Discoms are incurring Rs.2 per unit more than the average VRE power purchase cost.

-19-

- Even in that eventuality, sufficient power is not available at that point of time.
 Hence, Discoms have to go for load relief which has deleterious effect on State
 GDP. Considering an Energy elasticity of GDP of 0.8, this translates to crores of rupees in losses to the State GDP.
- Another aspect of difficulty in this regard is if the actual VRE generation is more than the forecast, conventional generation has to be backdown which has associated costs to be borne by the Discom. The following are associated costs involved in over injection which comes to Rs.2 per unit

Adequacy costs Rs.1.60 per unit

Balancing costs Rs. 0.40 per unit

The adequacy costs of 1.60 palse per unit is derived by considering the difference between VRE costs and weighted average pooled variable cost. The balancing costs of 0.40 per unit arrived at considering the deterioration of station heat rate, increased oil consumption, and excluding wear & tear of the equipment when thermal stations are required frequently backed down,.

Amendment 5. The clause 2.1 (aa) of Regulation 4 of 2017 reads, "Virtual Pool means the virtual grouping of various pooling stations wherein the generators in such pooling stations have an option for accounting their deviational in an aggregated / combined manner through a QCA for the purpose of availing the benefit of larger geographical area and diversity."

Amendment proposed:

The definition phrase of virtual pooling may be considered to be deleted from definition 2.1 (aa) and also be deleted at clause 6.9 of Regulation 4 of 2017.

53

-20-

2

Justification

- As per Regulation 2.1(aa), All the schedules and actuals of generators are aggregated while calculating the DSM. This Provision is not available in any State which were framed by respective Regulatory Commissions.
- Indiscipline to grid caused by few generators is shared and spread over to among all generators in the virtual pool.

6. All the above issues have surfaced during implementation of provisions of Regulation 4 of 2017: The said issues are being encountered by the grid operator in real time operation of grid. It is, therefore, requested to amend the several clauses stated above in the Regulation 4 of 2017, in public interest.

120



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION 11-4-660, 4th Floor, Singareni Bhavani, Red Hills, Hyderabad - 500 004. Phone 040-23397381 Web site: aperc.gov.in e-mail:commn-secy@aperc.gov.in

Public-Notice / O.P.No.2 of 2020 In the matter of Amendment to Regulation No. 4 of 2017

The Chief General Manager/HRD and Planning, APTRANSCO vide letter No.CGM/HRD&Plg./SE/Plg/EE/RAC&Reforms/APERC/D.No.121/2019, dated 10-12-2019 submitted that the Chief Engineer, APSLDC has informed that during implementation of the Regulation 4 of 2017 (APERC Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation Regulation, 2017) which is effective from 01.07.2018 for levying and collection of deviation charges from Qualified Coordinating Agencies (QCAs), certain observations were noticed in adopting the Clauses viz., 2.1 (a), 2.1 (j), 4.1, 6.3 and 2.1 (aa) in day to day operation of grid with mix of VRE generation and conventional generation and of the view to amend the above Clauses. A detailed report was prepared by APSLDC consolidating difficulties faced by them in day to day operation of the grid and requested for suitable amendments to the said Regulation. The amendments are stated to be for ensuring the integrated grid operations and for achieving maximum economy and efficiency in the operation of power system in Andhra Pradesh.

Copies of the above mentioned letter together with detailed report consisting of amendments and justification there for are placed in the website of the Commission inviting the views / objections / suggestions from any stakeholders on the subject matter on or before 04.03.2020. Any interested stakeholder is free to inspect the above said documents which are the subject matter of consideration, at the office of the Commission on any working day during working hours.

Further to the above, also TAKE NOTICE that the Commission will hold a Public Hearing on 10th March, 2020 (Tuesday) at 10.30hrs in the court hall of APERC. All interested persons / stakeholders desirous of being heard in person may appear before the Commission on the above said date and present their views.

Place: Hyderabad, Date: 13-02-2020.

1

Sd/-Commission Secretary (i/c)

-22-

AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED CIN: U40108TG2011PTC075928

//Without prejudice//

February 20, 2020

ê

The Andhra Pradesh Electricity Regulatory Commission 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, <u>Hyderabad- 500 004</u>

Kind attention: The Secretary

Sub: 'Public notice dated 13.02.2020 regarding public hearing to be held on 10.03.2020 in respect of proposed amendment of Regulation 4 of 2017 i.e., APERC (Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation) Regulations, 2017

Dear Sir,

With reference to the above subject, we would like to bring to your attention that several wind and solar companies across the country have challenged legal and constitutional validity of Forecasting, Scheduling and DSM mechanism Regulations passed by respective State Electricity Regulatory Commissions in various High Courts and interim orders were also passed to the effect that no coercive actions be taken against the renewable energy generating companies.

Similarly, aggrieved by the APERC (Forecasting, Scheduling and Deviation Settlement of Solar and Wind Generation) Regulation, 2017" i.e. Regulation No. 4 of 2017 (herein after referred to as 'Regulations'), we and other wind and solar companies have also filed Writ Petitions before the Hon'ble High court of Andhra Pradesh challenging the legal and constitutional validity of Regulation No. 4 of 2017.

The Hon'ble Supreme Court in an order passed on 26.04.2019 In Civil Appeal No. 4404 of 2019 has remitted the matter to the Hon'ble AP High Court to adjudicate on the issues of legal and constitutional validity of the Regulations.

Therefore, please note that the validity of the Regulations itself is under judicial review by the Hon'ble High Court in WP 5706 of 2019, WP 13860 of 2019 and a batch of writ petitions. During the pendency of these writ petitions, the Hon'ble High Court has passed interim orders in these writ petitions directing the APTRANSCO / SLDC not to take any coercive action pending the disposal of the writ petitions and to maintain status quo.

For ready reference we are hereby enclosing the copies of order passed by the Hon'ble Supreme Court and the Hon'ble High Court.

Contd..2..

2

Regd. Office: Plot No.8-2-293/82/A/1131A, Road No. 36, Jubliee Hills, Hyderabad -- 500033, Telangana Ph. No.: 040 - 4030 1000 Fax No. 91(040)-40301101, E-mail: Info@greenkogroup.com

AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED CIN: U40108TG2011PTC075928

Page 2/2

0

We, therefore, in the interest of justice and fair play, request you to adjourn the above proceedings with regard to amendment of the said Regulation No. 4 of 2017 and also adjourn the proposed public hearing until such time the Hon'ble High Court finally pronounces its verdict on legal and constitutional validity of the Regulations.

Thanking you,

:

Yours sincerely For and behalf of Axis Wind Farms (MPR Dam) Private Limited and other Companies (*)

Authorised Signatory

Encl: 1. List of Companies (*)

2. Order of the Hon'ble Supreme Court dated 26.04.2019

3. Order of the Hon'ble High Court of Andhra Pradesh dated 30.12.2019

Regd. Office: Plot No.8-2-293/82/A/1131A, Road No. 36, Jubilee Hills, Hyderabad – 500033, Telangana Ph. No.: 040 - 4030 1000 Fax No. 91(040)-40301101, E-mail: info@greenkogroup.com

-23-

1



From: <u>tracker@dtdc.com</u> <<u>tracker@dtdc.com</u>> Sent: 02 March 2020 13:13 To: Krishna Kumari N <<u>kkumari.n@greenkogroup.com</u>> Subject: Tracking Update of your DTDC Con<H18502052>

Dear Customer,

:

Recently you have visited our site and asked for tracking result for Consignment No.: H18502052

Please find the details below:

Consignment Details...



1

.

ware and dodgras

0

And the second s	
Shipment No.:	H18502052
Reference No.:	121157158695
Last Status:	Successfully Delivered
Received Date:	24th feb'20
No. of Pleces: Booked By:	1
Received By:	
Relationship	

With Thanks, DTDC Express Ltd. #3,DTDC House, Victoria Road, Bangalore - 47. Ph: 25365032/39, 25544127 http://www.dtdc.com -25



GUNTUR DISTRICT

7

HIGH COURT FOR THE STATE OF ANDHRA PRADESH AT AMARAVATHI

I.A.NO. C OF 2020 IN W.P.NO. 15513 OF 2019

12165

STAY PETITION

FILED ON: 03.03.2020

FILED BY:

M/s P. Vikram (8227) N. Jeevan Kumar D. Yathindra Dev, M. Abhinay Reddy

Counsel for Petitioners

:

BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION IV FLOOR, SINGARENI BHAVAN, RED HILLS, HYDERABAD

Public Notice

OP No.2 of 2020 In the matter of Amendment to Regulation No.4 of 2017

MEMO FILED ON BEHALF OF AXIS WIND FARMS (MPR DAM) PRIVATE LIMITED

Filed On: 10.03.2020

Filed By:

P.VIKRAM N.JEEVAN KUMAR M.ABHINAY REDDY P.GAUTHAM ADVOCATES COUNSEL FOR PROPOSED STAKEHOLDERS