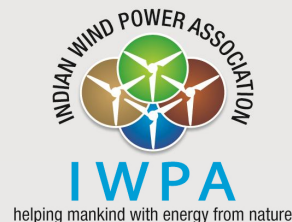


August 21, 2015



IWPA Circular No.159 of 2015

Dear Members

Sub: CERC (Ancillary Services Operations) Regulations, 2015 – Notification dated 13th August 2015

CERC has notified the Ancillary Services Operations Regulations, 2015 which has paved way for introduction of new ancillary services market in Indian electricity sector. To start with, only one ancillary service product is defined, which is the “Reserves Regulation Ancillary Services” (RRAS) – consisting of “Regulation Up” and “Regulation Down” services. This provides incentives for participants to increase / decrease generation based on the instructions of LDC, in case of system contingencies such as a sudden generation tripping, sudden ramp up of renewable energy etc.

The RRAS service will be provided by “Reserves Regulation Ancillary Services Providers” – which are defined as ‘all Generating Stations that are regional entities and whose tariff is determined or adopted by CERC for their full capacity’. The ancillary services will be dispatched by NLDC through respective RLDCs, under the following contingency circumstances:

- i. Extreme weather forecasts and/or special day;
- ii. Generating unit or transmission line outages;
- iii. Trend of load met;
- iv. Trends of frequency;
- v. Any abnormal event such as outage of hydro generating units due to silt, coal supply blockade etc.;
- vi. Excessive loop flows leading to congestion; and
- vii. Such other events.

The dispatch priority is determined by NLDC based on variable cost, ramping capabilities, transmission constraints, un-requisitioned surplus, etc. No commitment charges are paid to the RRAS Providers for merely making themselves available for the RRAS.

For “Regulation Up” service, along with fixed cost and variable cost, a premium on fixed cost will also be paid. This premium will be determined by CERC time to time and notified through separate orders. Also, the RRAS providers are required to adjust the fixed charges to the original beneficiaries for the quantum of un-requisitioned surplus scheduled under Regulation Up service.

For “Regulation Down” service, 25% of variable charges will be provided.

NLDC is required to issue detailed procedure for the ancillary services within 3 months.

Thanking you with Best Wishes and Regards,

For Indian Wind Power Association

(Prof. Dr. K Kasthurirangaian)
Chairman

Enclosure: CERC Notification (3 Pages)

Indian Wind Power Association

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