

CERC have issued DSM Regulations 2022 vide notification dated 14.03.2022.

Highlights:

1. This regulation would repeal 2014 DSM Regulations.
2. These regulations shall be applicable to all grid connected regional entities and other entities engaged in inter-State purchase and sale of electricity including Solar and Wind generators at inter state level.
3. Computation for deviation in case of Renewable is percentage of available capacity instead of scheduled generation.
4. Normal deviation charges is Average Ancillary Service Charges for that time block. To start with for one year, highest of ACP of DAM or RTM or weighted Average Ancillary Service charge of that Block. (Frequency based charges and capping of charges for APM generators of 2014 DSM Regulations are updated to market based ASC, ACP or DAM or RTM.)

Reference charge rate for Deviation is the Energy charge for the stations whose tariff is as per Sec 62 or 63. For others daily average ACP of Power Exchanges.
5. DSM charges for normal seller
 - for under_injection upto 2% - normal dsm charges, 110% of normal dsm charges beyond 2% to 10% of deviation and 150% normal dsm charges for deviation beyond 10% and
 - for over_injection,
 - i. upto 2%, Charges of Deviation is Zero, Seller get paid @ reference charge rate (Energy Charge Rate) for over_injection upto 2%; ii. beyond 2%, 10% of normal DSM charges.
6. DSM charges Wind Solar Seller - ZERO for entire Over_injection and upto 10% of under_injection, 10% of DSM charges for deviation beyond 10% of under_injection. Entity has to payback shortfall in energy due to under_injection at contracted rate (Tariff), or @ACP of Day Ahead Market. Entity will get paid at contract rate upto 5% over_injection and at 90% contract rate for over_injection beyond 5% and upto 10% of over_injection.

Similar DSM charges for Run of River Gencos and Municipal Solid Waste based Gencos for under_injection and over_injection.
7. DSM charges for Buyer: For overdrawal Upto 10% normal DSM charges, beyond 10% upto 50%, 110% of DSM charges, Beyond 50%, 150% of DSM charges.

For under drawl DSM charges is Zero.

The buyer will get paid

at 90% normal DSM charges for under drawal upto 10% or 100MW whichever is lower.

at 50% of normal DSM charges for 10 to 15% or 200 to 300 MW under_injection.

Separate provisions for Buyer is classified as RE Rich or not and Schedule with less than 400 MW.
8. (a) The charges for deviation for injection of infirm power shall be zero.

(b) The charges for deviation for drawal of start-up power before COD of a generating unit or for drawal of power to run the auxiliaries during shut-down of a generating station shall be payable at the normal rate of charges for deviation
9. Timelines specified - DSM charges to paid in 7 days else penalty at 0.04% per day.
10. Deviation and Ancillary Services accounts are clubbed.
11. Shortfall is covered from other regions and further through RLDC fees and charges.