



A Maharatna Company

एन टी पी सी लिमिटेड  
(भारत सरकार का उद्यम)

**NTPC Limited**  
(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

Ref No: NTPC/EOC/Office of ED (FM)/100

Date: 9<sup>th</sup> November, 2020

**Ms. Vandana Sharma**  
Secretary, PNGRB,  
1<sup>st</sup> Floor, World Trade Centre,  
Babar Road,  
New Delhi -110001

Madam,

**SUB: Comments on PNGRB's Public consultation documents on the proposed draft amendments to the regulations on Imbalance Management Services**

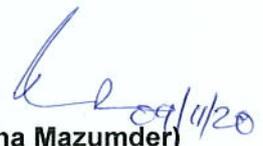
This is in reference to PNGRB's public consultation documents on the subject with reference nos. PNGRB/COM/2-NGPL/Tariff (2)/2012 (P-xxx) dated 17.10.2020.

Please find attached NTPC's comments on the draft amendments (Annexure-I) for kind consideration.

It is requested that NTPC may be invited to participate in the open house scheduled for discussion on the comments/suggestions/views of the stakeholders.

Thanking you,

Yours sincerely,

  
(Partha Mazumder)  
Executive Director (FM & CM)

**The following are the observations/comments of NTPC on the proposed draft amendments to the regulations on Imbalance Management Services:**

- (i) In Power sector, gas power plants compete with other generators under 'Merit Order Dispatch' principle for dispatch of power. The delivered price of gas at burner tip is required to be competitive for sustained operation of gas power plants. Hence, the gas transportation charges including any penalties under gas transportation agreements should be reasonable. Power sector is the only consumer of gas wherein the gas offtake varies considerably during the day because of the operation of the plants in merit order to meet peaking and balancing load in the grid. With the proposed draft regulation of unified tariff, the transportation tariff is expected to increase substantially. In this regard, it is proposed that the current **imbalance charges of 50% of transportation tariff need to be lowered to 25% of transportation tariff. Further, positive and negative imbalance charges may be levied when the cumulative imbalance goes beyond 15% & 10% of booked capacity respectively**, instead of current limits of beyond 10% & 5% of booked capacity.
- (ii) Further, as mandated by CERC/IEGC regulations, generation schedule of Gas power plants is revised number of times during a day. In a time block of 15 minutes each during a day, the generation schedule of gas stations are revised to meet the grid requirements. Thus, for Gas power plants to manage their imbalances effectively, the **provisions related to re-nomination during gas day under Gas Transportation Agreements (GTAs) should be aligned with the regulation of Power sector**. This will help reduce the Imbalances.
- (iii) The proposed introduction of Imbalance Management Services (IMS) like Parking/Lending and Netting/ Trading is a welcome step. This will help shippers to reduce the imbalance penalties. It is proposed that the charges for availing these services may be kept at minimum, so that it does not affect the consumers.

It has been proposed in the draft regulations that these IMS may be provided subject to availability of pipeline capacity and without affecting the services to any shipper. Further, creation of additional infrastructure is not envisaged for providing IMS. Further, the transporter can provide Lending service to a Shipper utilizing the same gas as parked by another Shipper. Hence, it is proposed that charges for **Parking/Lending services may be kept nominal (less than Rs 5/- per MMBtu)**, instead of Rs 15/MMBtu as proposed in the draft regulations.

Netting service is a service under which the Shipper offsets its positive and negative imbalances under different GTAs with the transporter. Under this service, as the same Shipper adjusts positive and negative imbalances under different GTAs and it does not affect the transporter in any way, **Netting service should be offered Free of cost (Nil charges)**, instead of Rs 1.50/MMBtu as proposed in the draft regulations. The proposed **Trading service** to be offered, wherein positive and negative imbalances of one Shipper is offset by another Shipper, may be charged at nominal rate (less than Rs 1/- per MMBtu), instead of Rs 1.50/MMBtu as proposed in the draft regulations.

- (iv) **The imbalance penalties/ Parking/Lending/Trading service charges collected by the transporter may be credited partly back to disciplined shippers.** This will encourage shippers to adhere to gas transportation pipeline discipline. It may be noted that in Power sector, deviation settlement charges is credited to the PSDF (Power Systems Development Fund) after settlement between generators and utilities. PSDF is utilized for funding transmission infrastructure projects to relieve congestion in interstate and intrastate transmission systems. Similarly, the imbalance penalties/ Parking/Lending/Trading service charges collected in the Escrow account may be utilized for system development of gas transportation mechanism.
  
- (v) It is understood that for the pipelines which are planned to come under unified tariff regime, Operational Balancing Agreement (OBA) will not be required. It is suggested that signing of OBA for pipeline transporters not included in integrated unified system should be made mandatory.

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