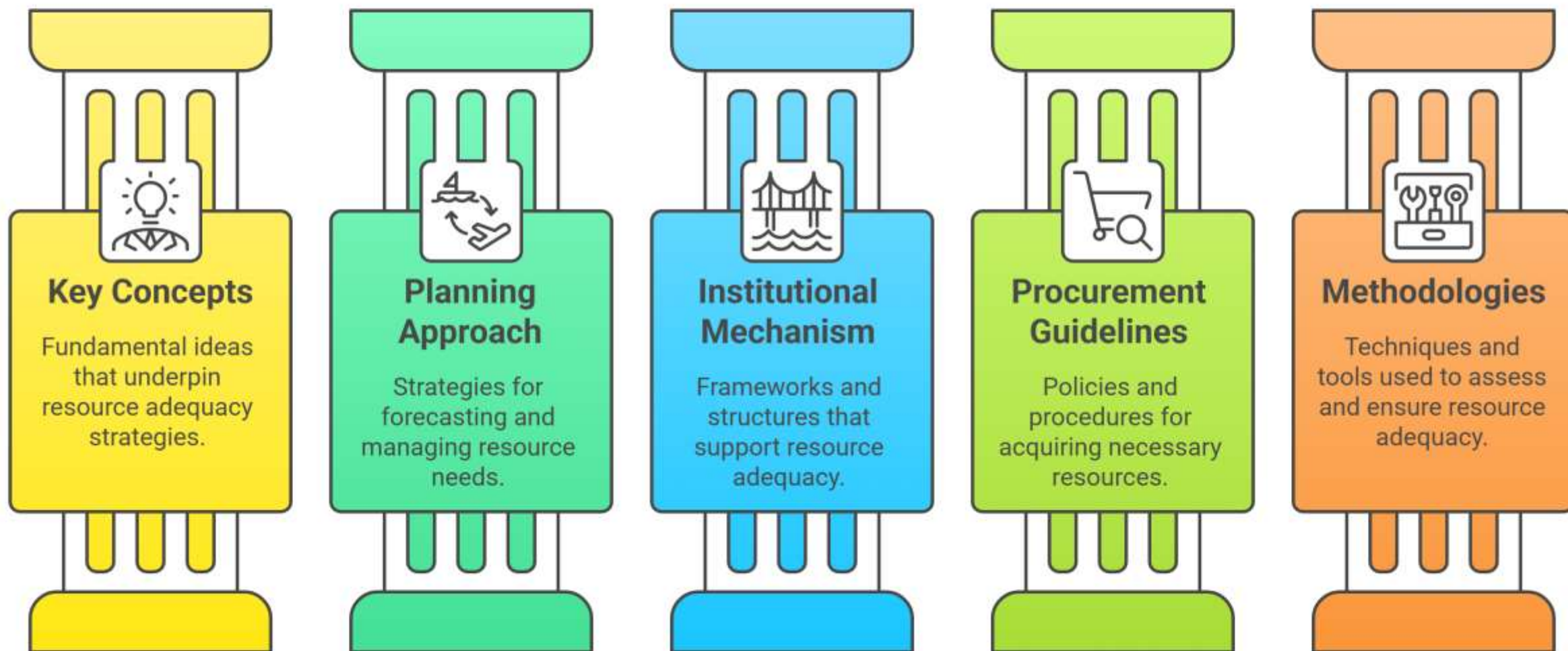


# Resource Adequacy: Introduction, Framework and Associated Regulations

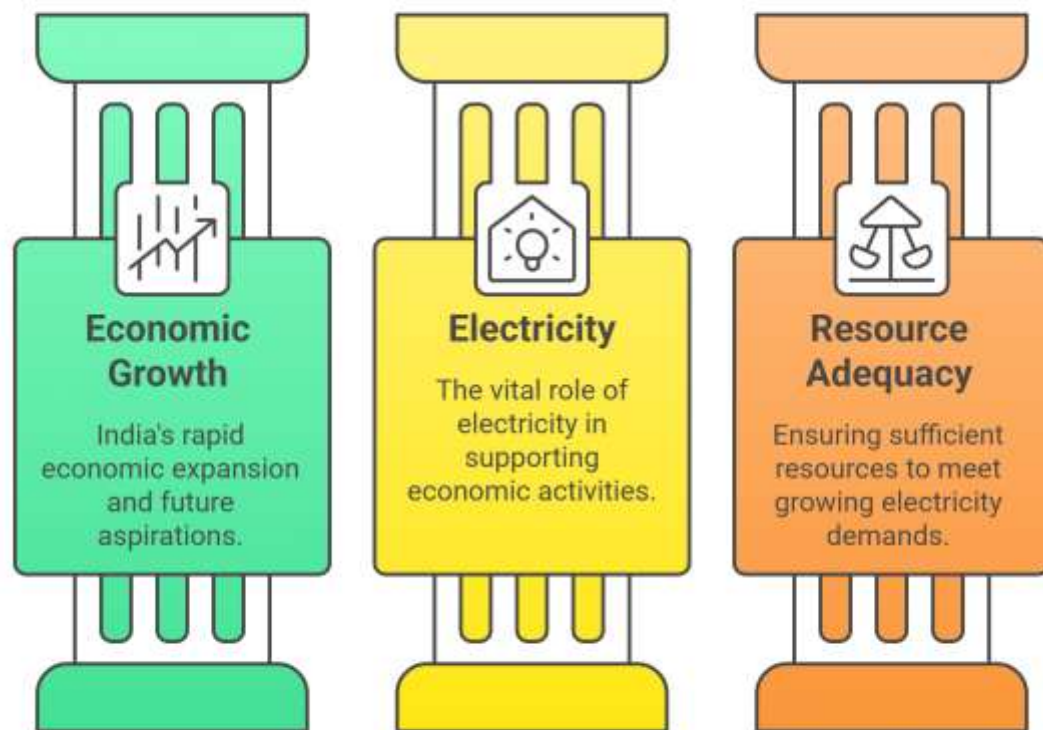
**By: Apoorva Anand**  
**Deputy Director,**  
**Central Electricity Authority**  
**Ministry of Power**

## Ensuring Resource Adequacy Through Strategic Planning and Mechanisms

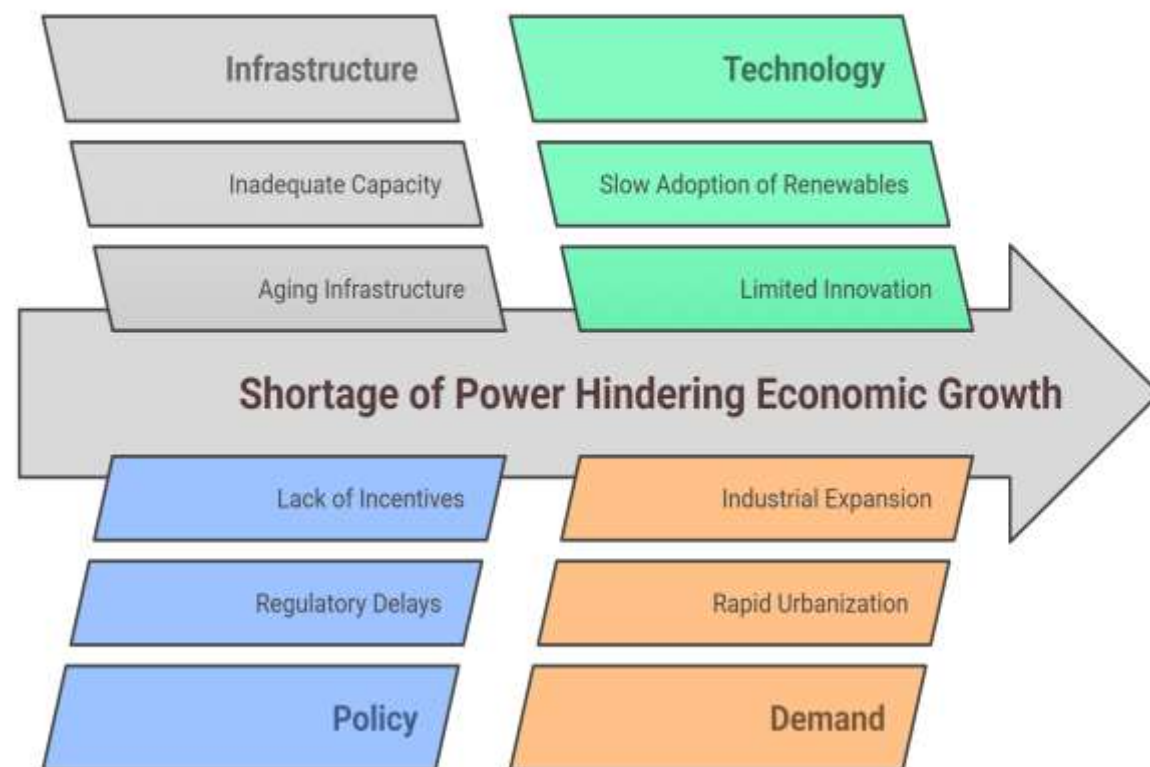


# Background & Need

## Powering India's Path to Economic Dominance by 2030



## Ensuring Resource Adequacy for India's Economic Growth



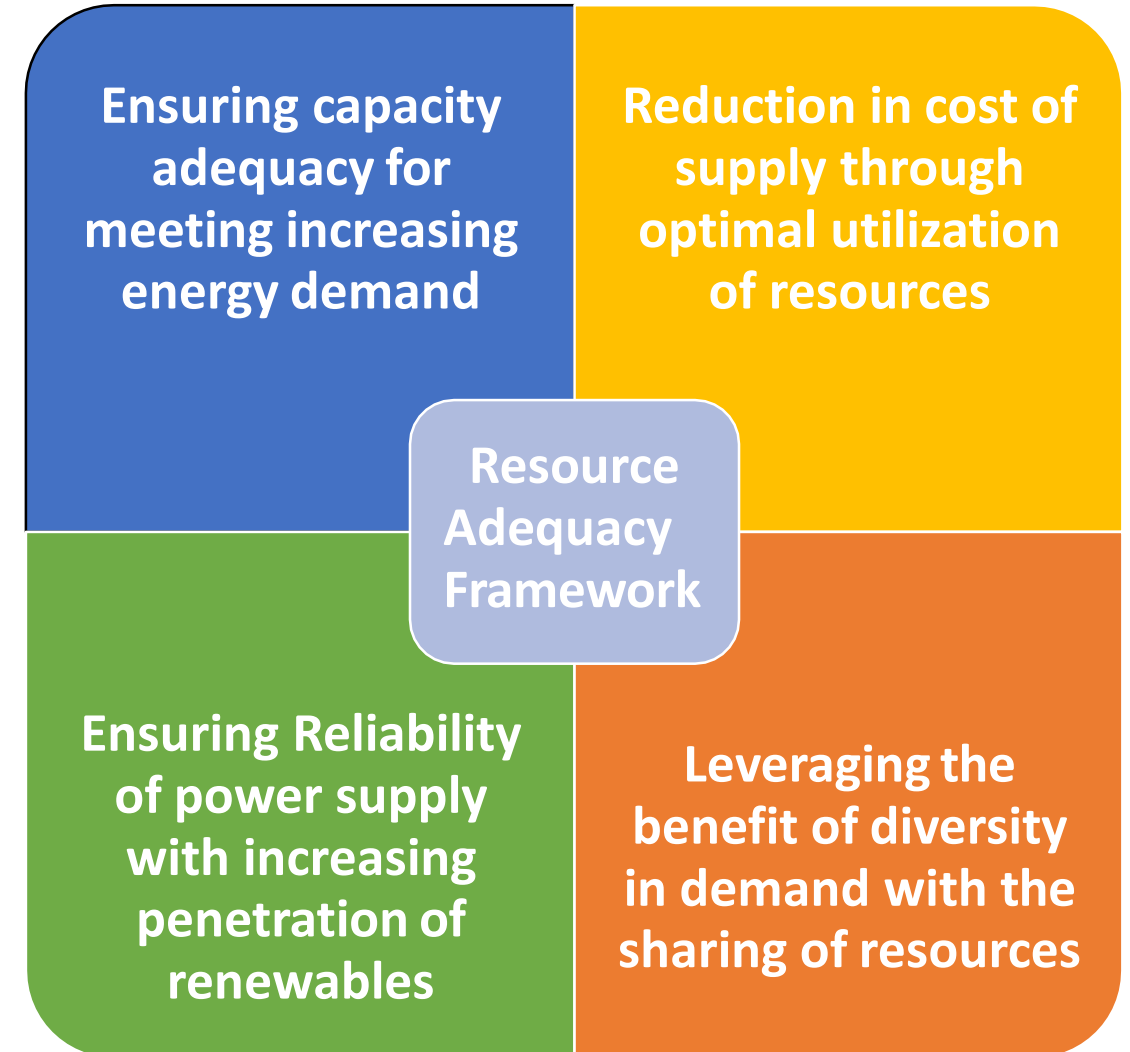
# Objectives of the Framework

- Ensure 24x7 reliable power for all consumers.
- Mandate DISCOMs to contract sufficient capacity.
- Align power planning with climate goals (50% non-fossil capacity by 2030).

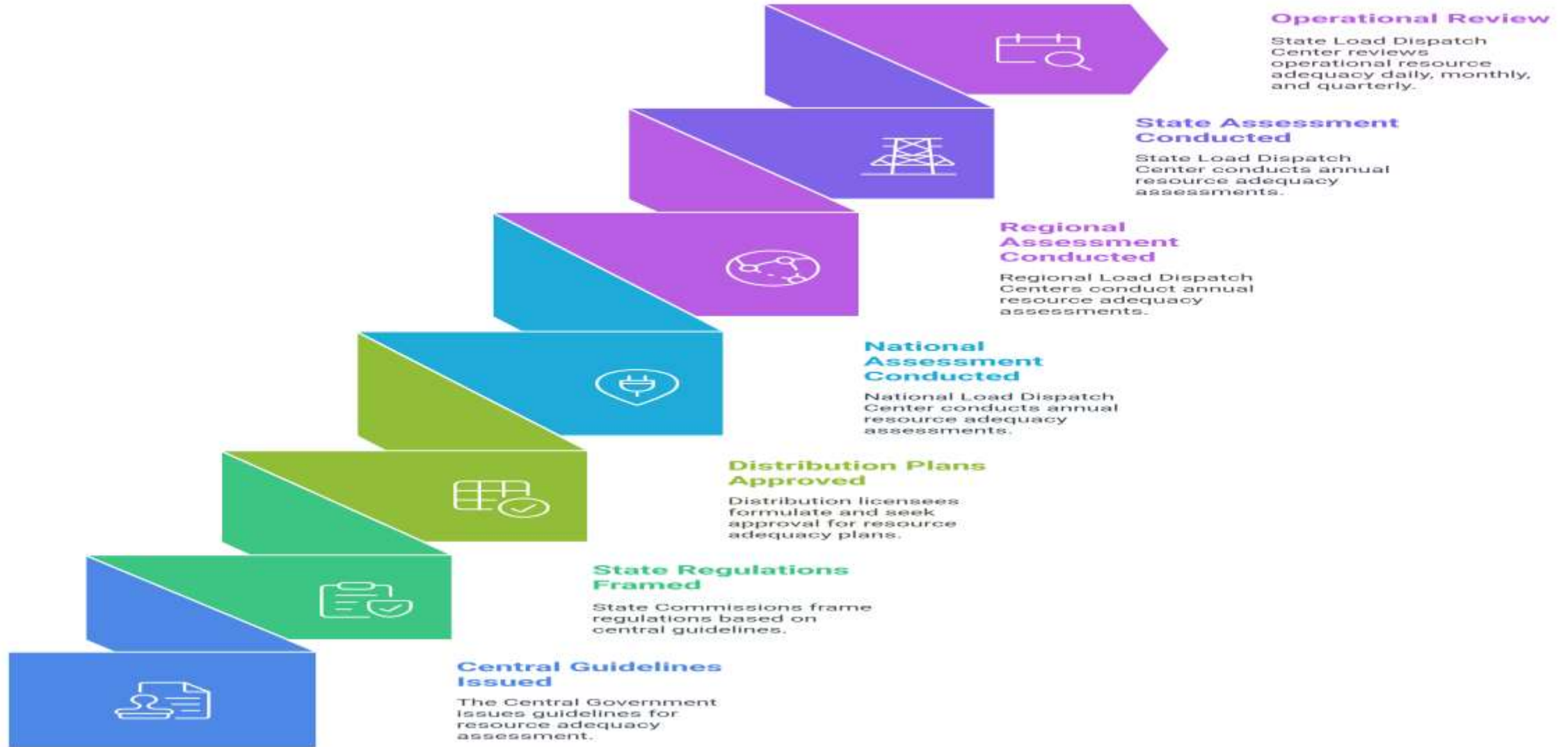
# Salient Features of Resource Adequacy Framework



# Benefits of Resource Adequacy Framework



# Resource Adequacy Policy Framework





# Resource Adequacy Policy Framework

- The **State Commission** may determine **non-compliance charges** for failure to comply with the resource adequacy target approved by the Commission.
- The **State Load Dispatch Centre** shall carry out assessments of resource adequacy, for **operational planning, at the state level**, in consultation with all the concerned stakeholders on an annual basis ,in accordance with the guidelines issued by the Central Government and the directions of the State Commission.
- The State Load Dispatch Centre **shall review the operational resource adequacy** on a daily, monthly and quarterly basis

# Ensuring Energy Reliability

## Planning Reserve Margin

Extra capacity to handle uncertainties

**LOLP**

Probability of load loss

**Resource Adequacy**

Contracting enough capacity to meet peak demand

**NENS**

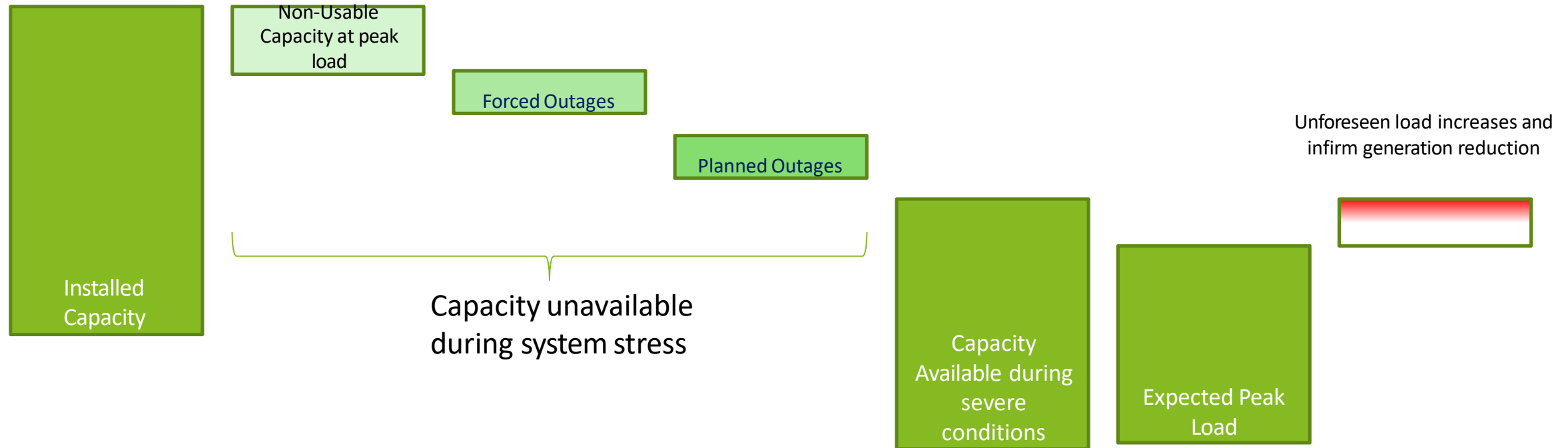
Normalized energy not served





# Overview of Resource Adequacy

Resource Adequacy is the dimension of grid reliability which takes the longest view. It entails having enough resources in the power system available to the system operator to meet future load, while accounting for uncertainty in both generation and load.

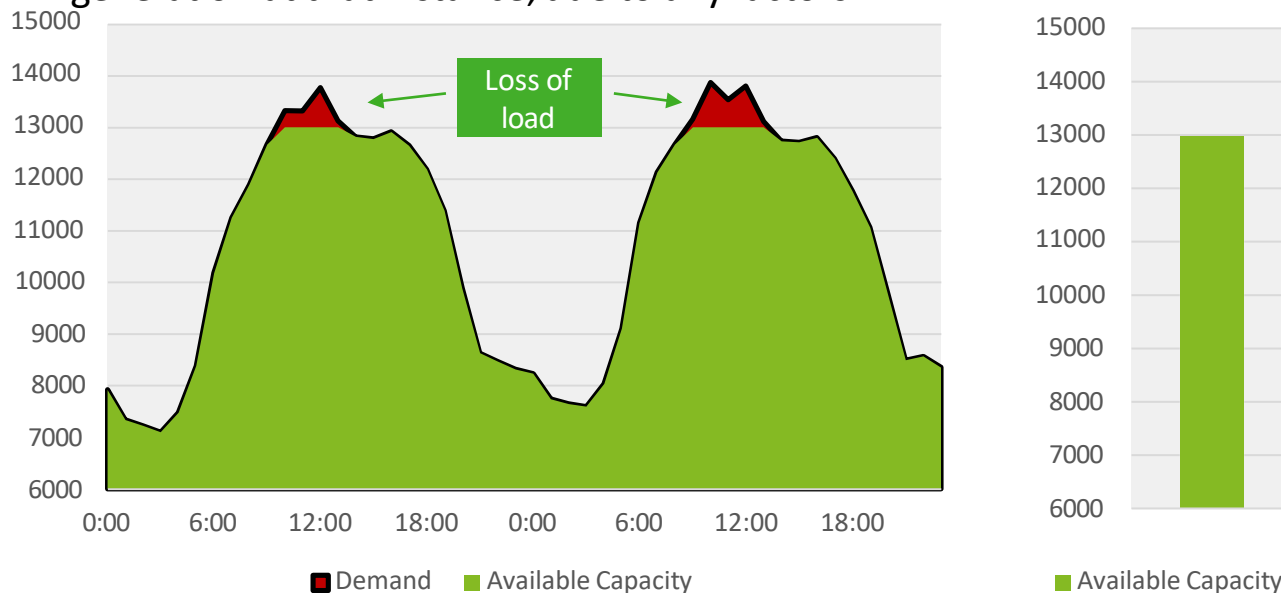


- The installed reserve margins forms the basis of resource adequacy
- The reserve margin is the amount of capacity above what is required to meet peak load

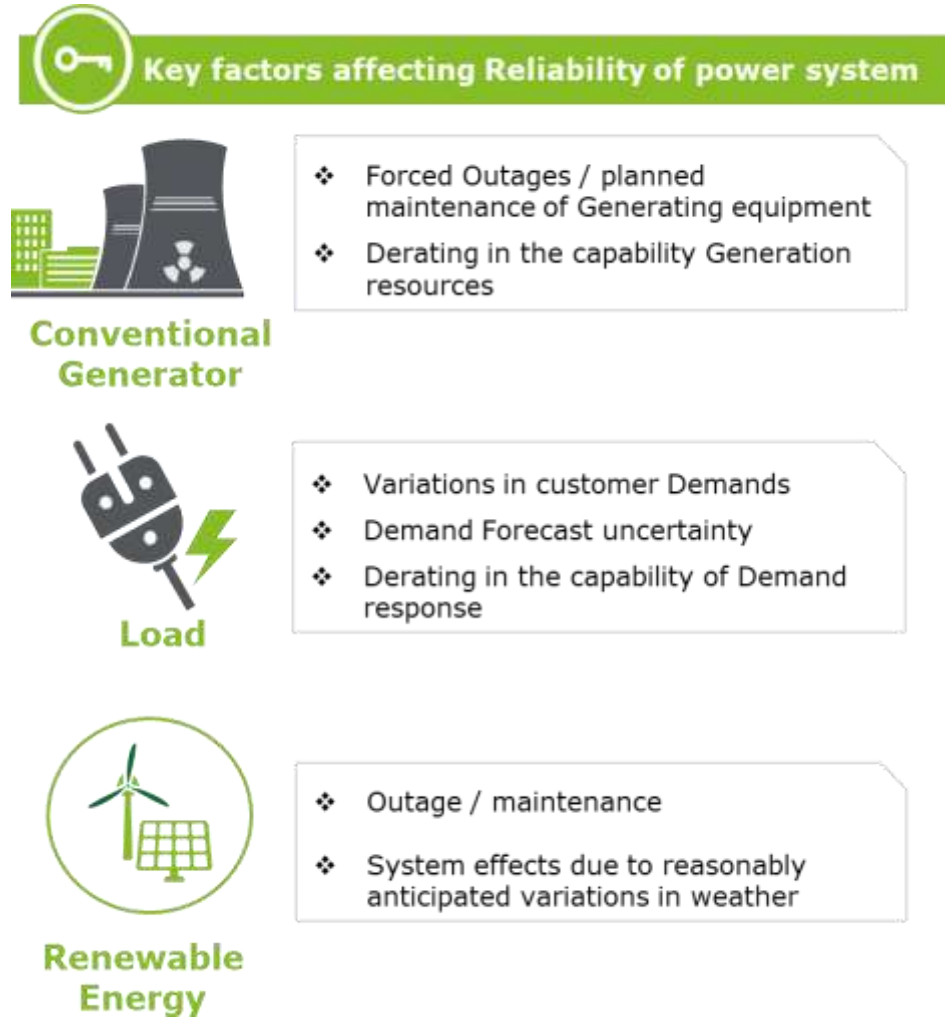
# Resource Adequacy (RA)

What does RA try to measure?

- Resource adequacy studies try to estimate the occurrence of Loss of Load.
- A loss of load occurs when the system load exceeds the available generation at that instance, due to any factors

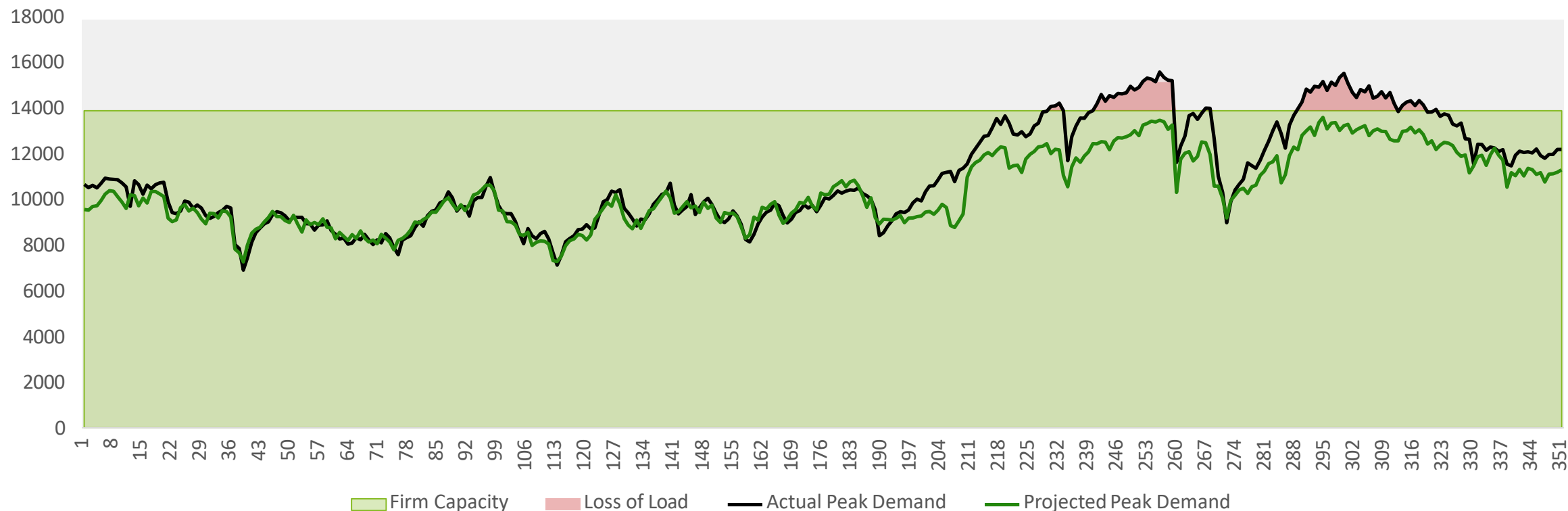


System should be able to meet demand notwithstanding scheduled and unscheduled outages of system components, variation in demand and non-dispatchable resources.



## Load Volatility can cause Loss of Load

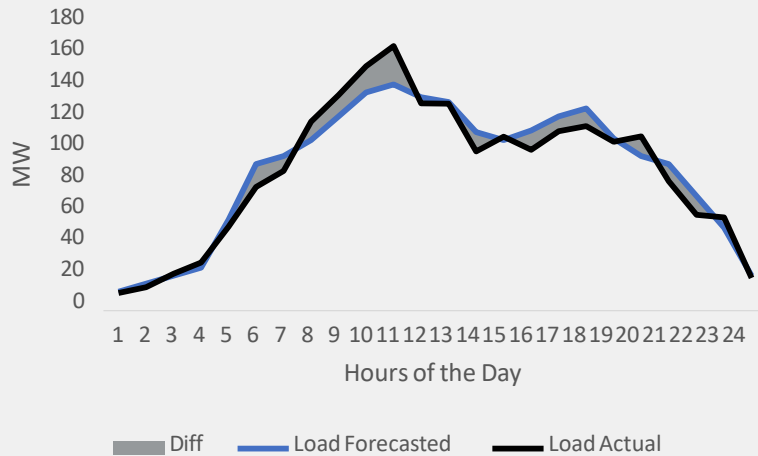
Illustration: Demand Growth greater than projections can lead to Loss of Load



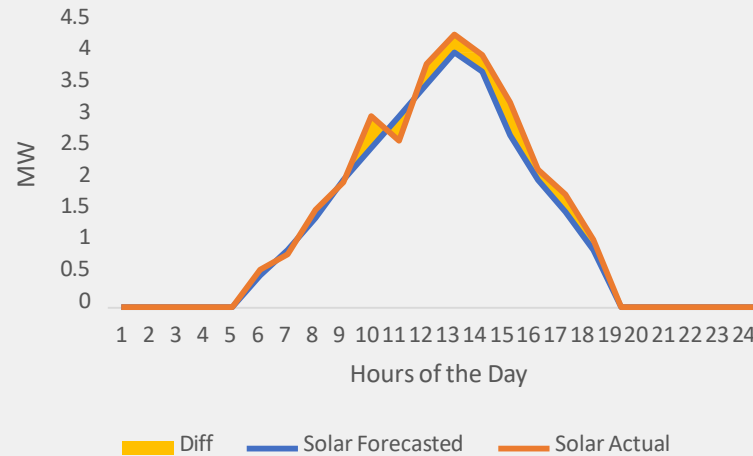
- Planning is typically done on the projected peak demand. If the demand growth is higher than projected, the planned capacity addition falls short leading to loss of load
- **An extra margin of capacity should be planned to mitigate such issues**

# Resource Adequacy (RA)

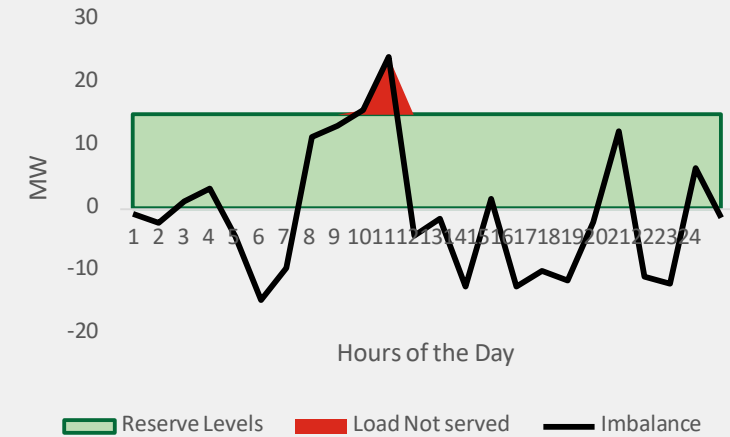
Load Forecasting Error (Illustration)



Solar Forecasting Error (Illustration)

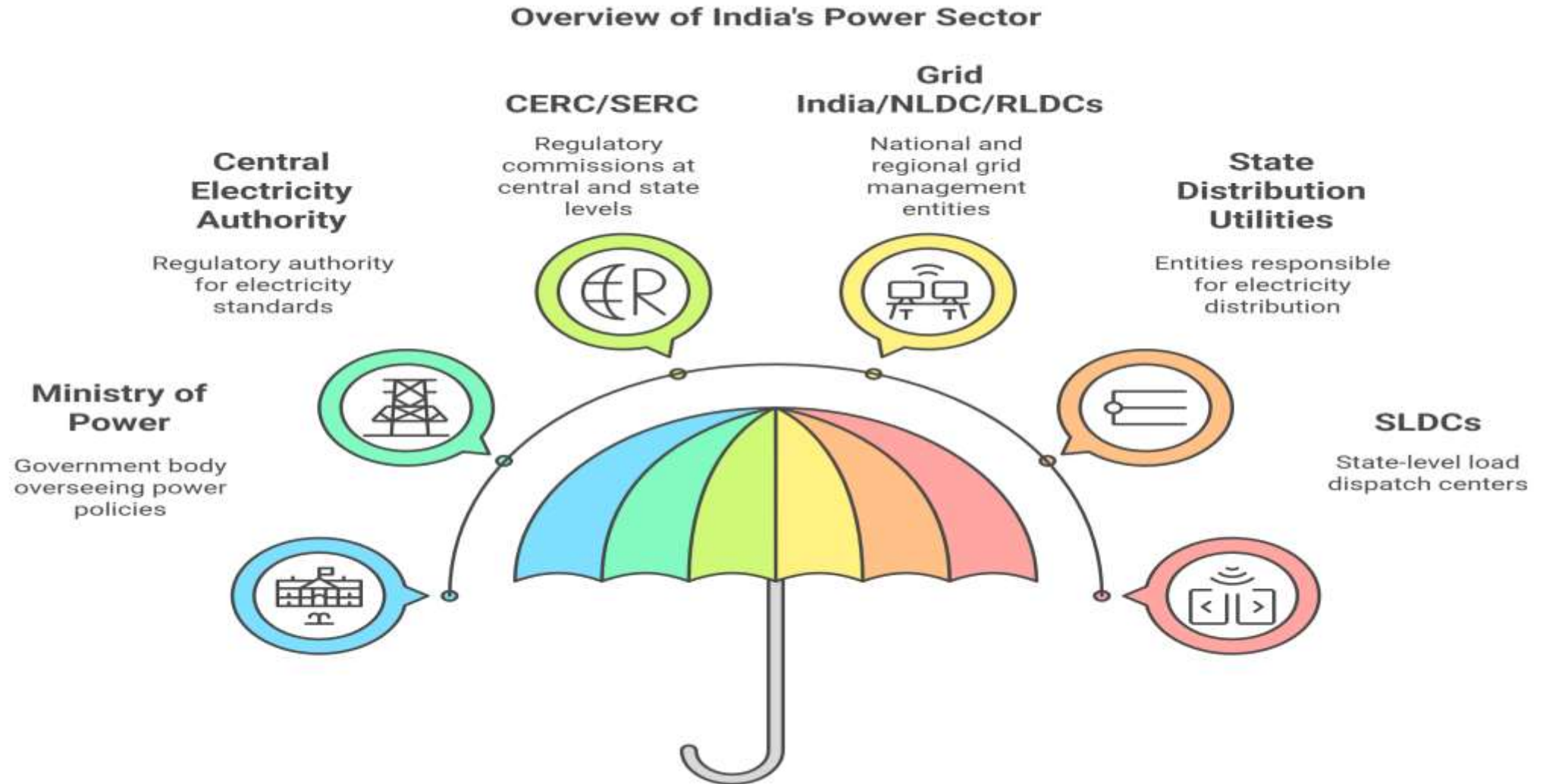


Net Imbalance (Illustration)



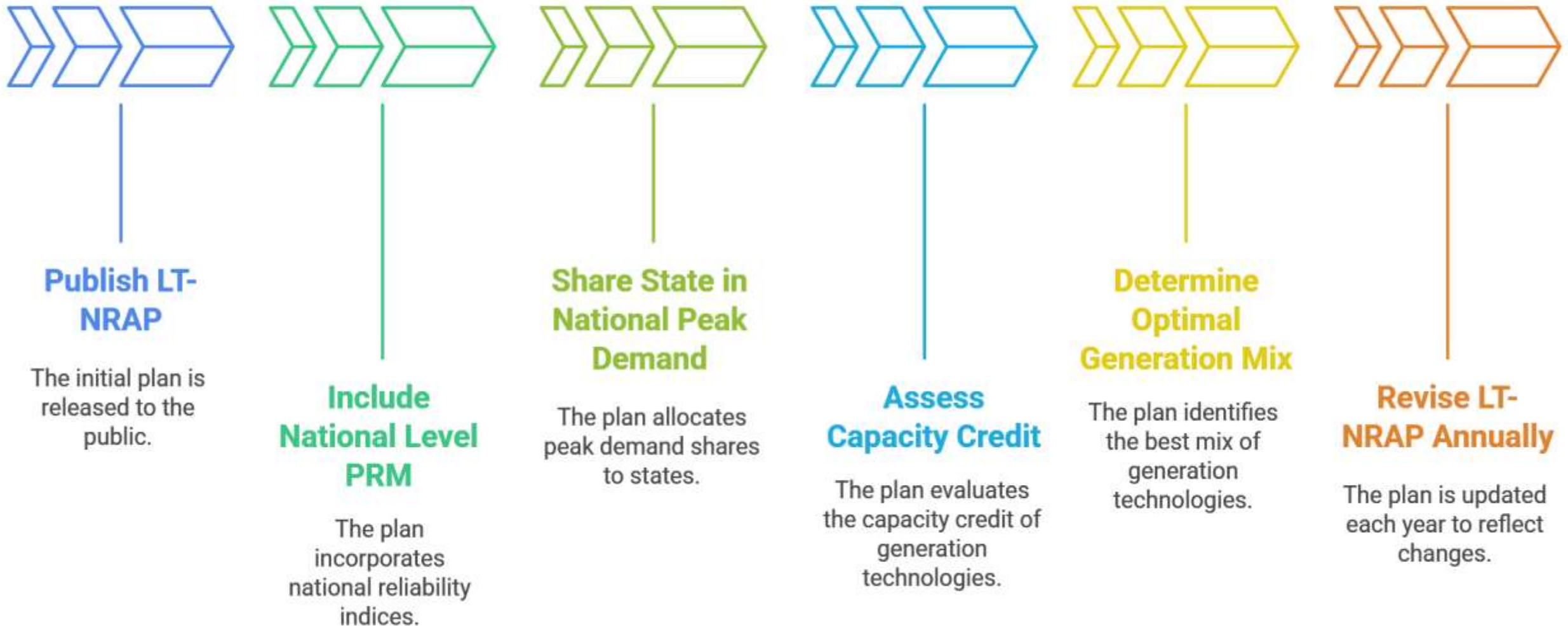
1. System imbalance necessitates a need for flexible resources in the system.
2. Sufficient reserves should be deployed to meet the expected system imbalance in future.

# Resource Adequacy Stakeholders



# Role of CEA

## LT-NRAP Development and Revision Process



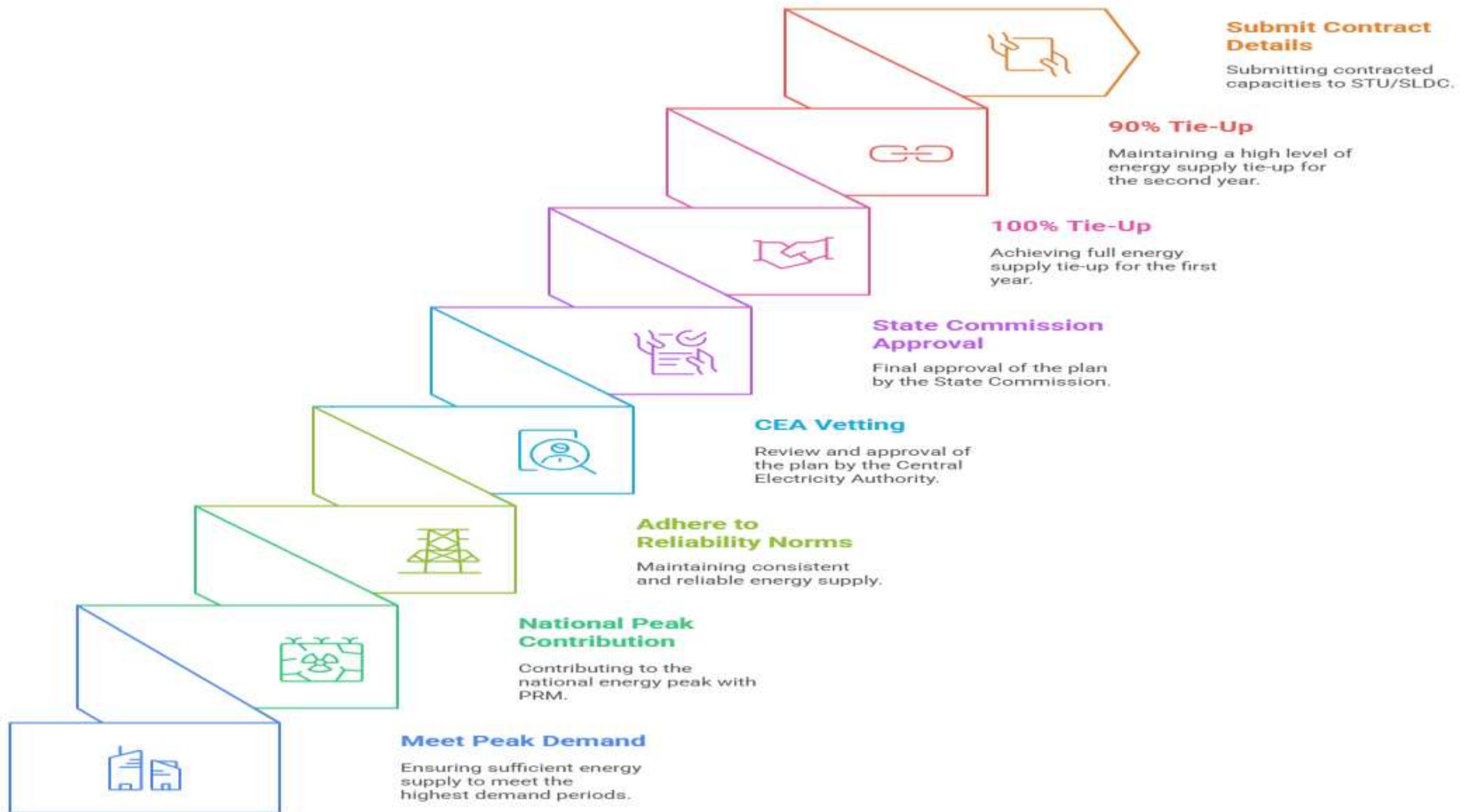


# Role of NLDC

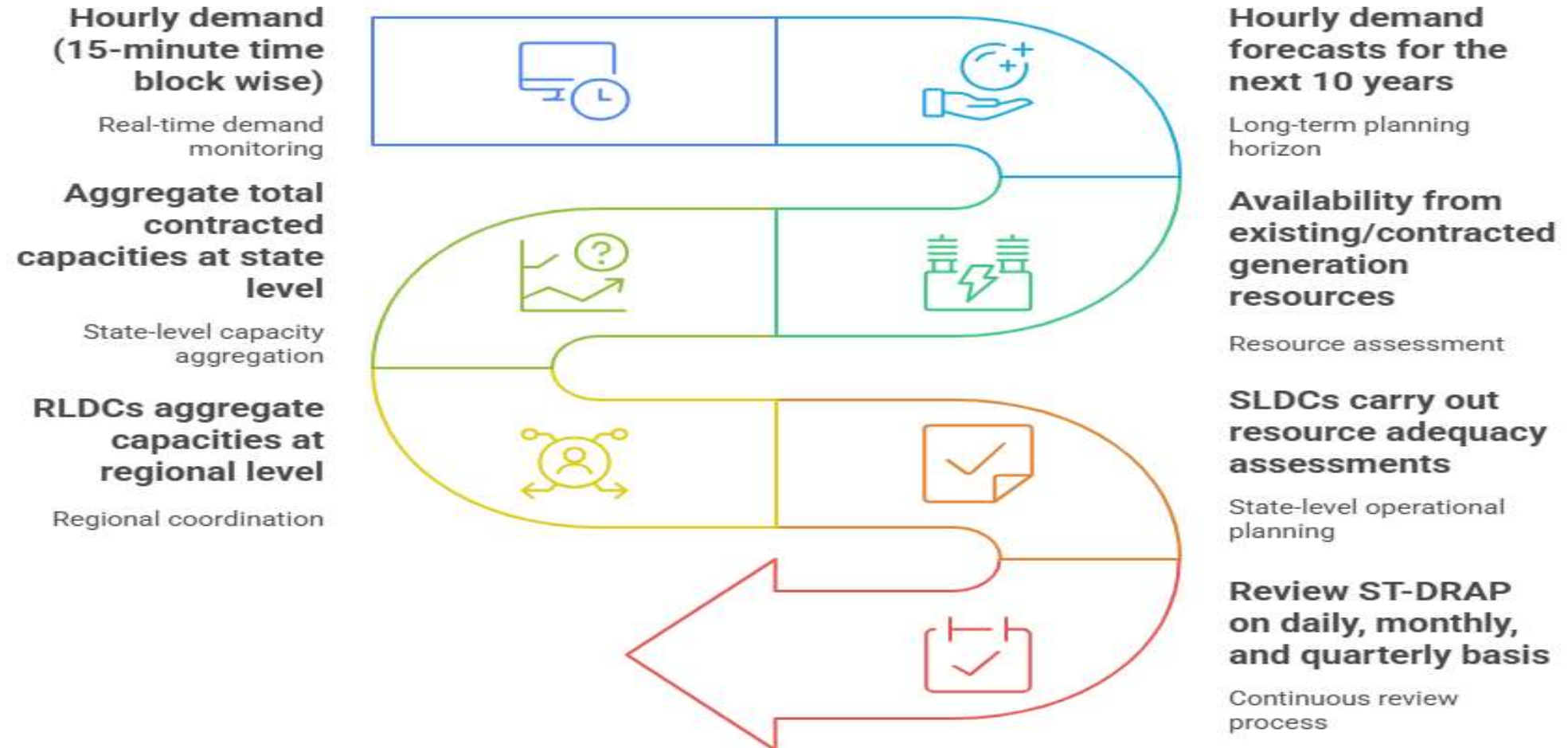
## Short Term National Resource Adequacy Plan



# Long term Distribution Resource Adequacy



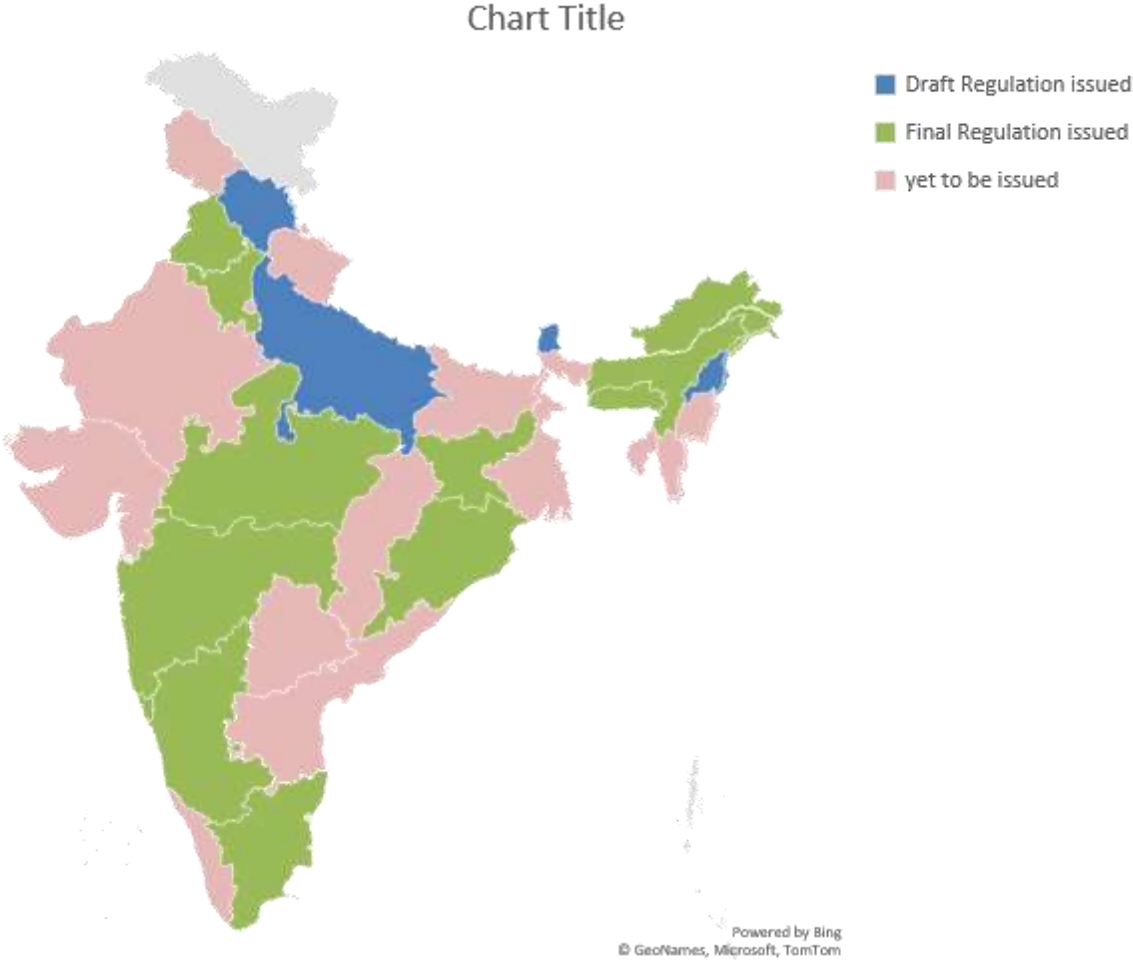
# Role of STU/SLDC



# Role of SERCs

- SERCs to timely approve the LT-DRAP and contracted capacities of DISCOMs
- Monitoring/Compliance of RA by SERCs
- 12-13 SERCs issued final/Draft RA regulation till now

# Status of RA Regulations by SERCs



Status of RA Regulations	SERC / JERC
Final Regulations Issued	Punjab, Meghalaya, Madhya Pradesh , Arunachal Pradesh , Karnataka, Maharashtra, Assam, Goa, Haryana, Jharkhand, Tamil Nadu, Odisha
Draft Regulations issued	Uttar Pradesh, Nagaland, Himachal Pradesh, Sikkim
Yet to be issued	Jammu & Kashmir, Uttarakhand, Delhi, Rajasthan, Gujarat, Kerala, Andhra Pradesh, Telangana, Chhattisgarh, Bihar, West Bengal, Sikkim, Assam, Manipur, Tripura, Mizoram

# Resource Adequacy Guidelines Framework

Entity	Description	May'xx	Jun'xx	Jul'xx	Aug'xx	Sep 'xx	Oct'xx	Nov'xx	Dec'xx	Jan'(xx+1)	Feb'(xx+1)	Mar'(xx+1)
STU/SLDC	STU/SLDC, on behalf of distribution licensees shall provide to CEA and NLDC the details regarding demand forecasts for the next 5 years, assessment of existing generation resources and other details required for LT-NRAP and ST-NRAP											
CEA	To publish LT-NRAP containing National PRM, Reliability Metrics, Coincident peak, capacity credits and Optimal Generation mix for 10 years horizon.											
NLDC	To publish ST-NRAP.											
Discoms	LT-DRAP exercise for long term horizon(10 years) which is RA compliant as per coincident peak to be submitted to CEA											
CEA	Vetting of discom's contracting plan for coincident peak contribution and to meet their own energy and peak											
SERC	SERC to approve of discom's contracting plan for coincident peak contribution and to meet their own energy and peak											
Discoms	To contract capacities as per approved plans.											
	Submit contract capacities to STU/SLDC											
STU/SLDC	STU/SLDC to submit state-level aggregated capacities to RLDC											
RLDC	RLDC submit regional-level aggregated capacities to national level											
POSOCO/NLDC	POSOCO/NLDC to check RA compliance at national level											
	Any Shortfall shall be communicated to the SERC for compliance or is balanced through a national level auction mechanism											

Delivery Period (Apr'(xx+1) - Mar'(xx+2))



# IEGC on Resource Adequacy

❖ Chapter 2 of Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 talks about Resource Planning Code.

❖ **Core Components:**

❑ **Integrated Resource Planning (IRP):**

- Encompasses demand forecasting, generation resource adequacy planning, and transmission resource adequacy assessment.
- Aims to meet projected demand reliably, adhering to reliability standards, and optimizing the generation mix with a focus on integrating renewable energy.

# IEGC on Resource Adequacy

## ❑ **Demand Forecasting:**

- Distribution licensees must estimate demand across long-term, medium-term, and short-term horizons.
- Utilizes various forecasting methods (trend, time series, econometric, etc.) and includes detailed daily load curves.
- State Transmission Utilities (STUs) consolidate licensee forecasts for state-wide demand estimations.
- The Forum of Regulators (FOR) may provide guidelines for consistency and accuracy.

# IEGC on Resource Adequacy

## Generation Resource Adequacy Planning:

Licensees assess existing resources and identify additional requirements to meet forecasted demand.

Develop generation resource procurement plans, considering both state and regional resources.

- Ensure adequate resources and maintain a planning reserve margin (PRM) as specified by the Central Electricity Authority (CEA).
- Prioritize optimal and least-cost procurement, considering peak demand, seasonal needs, and potential for inter-state capacity sharing.
- The National Load Dispatch Centre (NLDC) conducts simulations to aid states in optimal generation resource planning.

Distribution licensees are responsible for final procurement decisions and must demonstrate resource adequacy, facing penalties for non-compliance.

FOR may develop model regulations for standardized assessment and procurement.

# Judicious mix of Long, Medium and Short-Term Contracts

Type of Contract	Meeting Distribution Licensee Contribution in national Peak	Distribution licensee own peak and electricity requirement
Long-Term	75-80%	>75%
Medium-Term	10-20%	10-20%
Short-Term	0-15*%	0-15%

\* Power procurement through the power exchanges, such as the Day-Ahead Market segment, shall not be considered

# Challenges and Opportunities

- Challenges: Data granularity, state-level modeling capacity, regulatory compliance.
- Opportunities: Grid modernization, storage integration, investment signals.

# Role of Central Electricity Authority Under Resource Adequacy Framework

Publish Long-term National Resource Adequacy Plan (LT-NRAP), which shall determine the optimal Planning Reserve Margin (PRM) requirement at the All-India level, conforming to the reliable supply targets(section 3.1)

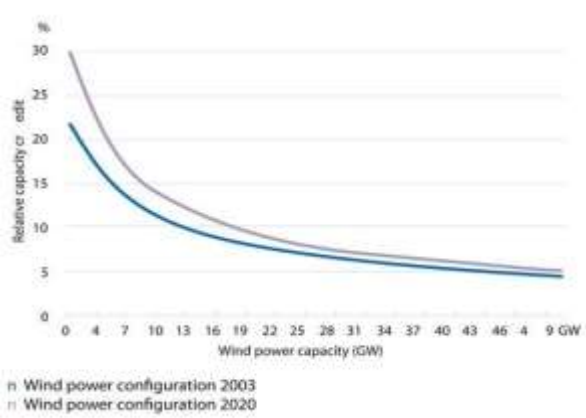
Publish the capacity credits for different resource types on a regional basis. (Section 3.1)

## CENTRAL ELECTRICITY AUTHORITY

Specify the State/UT's contribution towards national peak. (Section 3.1)

Publish the national-level PRM as a guidance for all the States/UTs to consider while undertaking their RA exercises. (section3.1)





# Methodology for Capacity Credit of Generation Resources & Coincident Peak Requirement of Utilities under Resource Adequacy Framework



# Coincident Peak

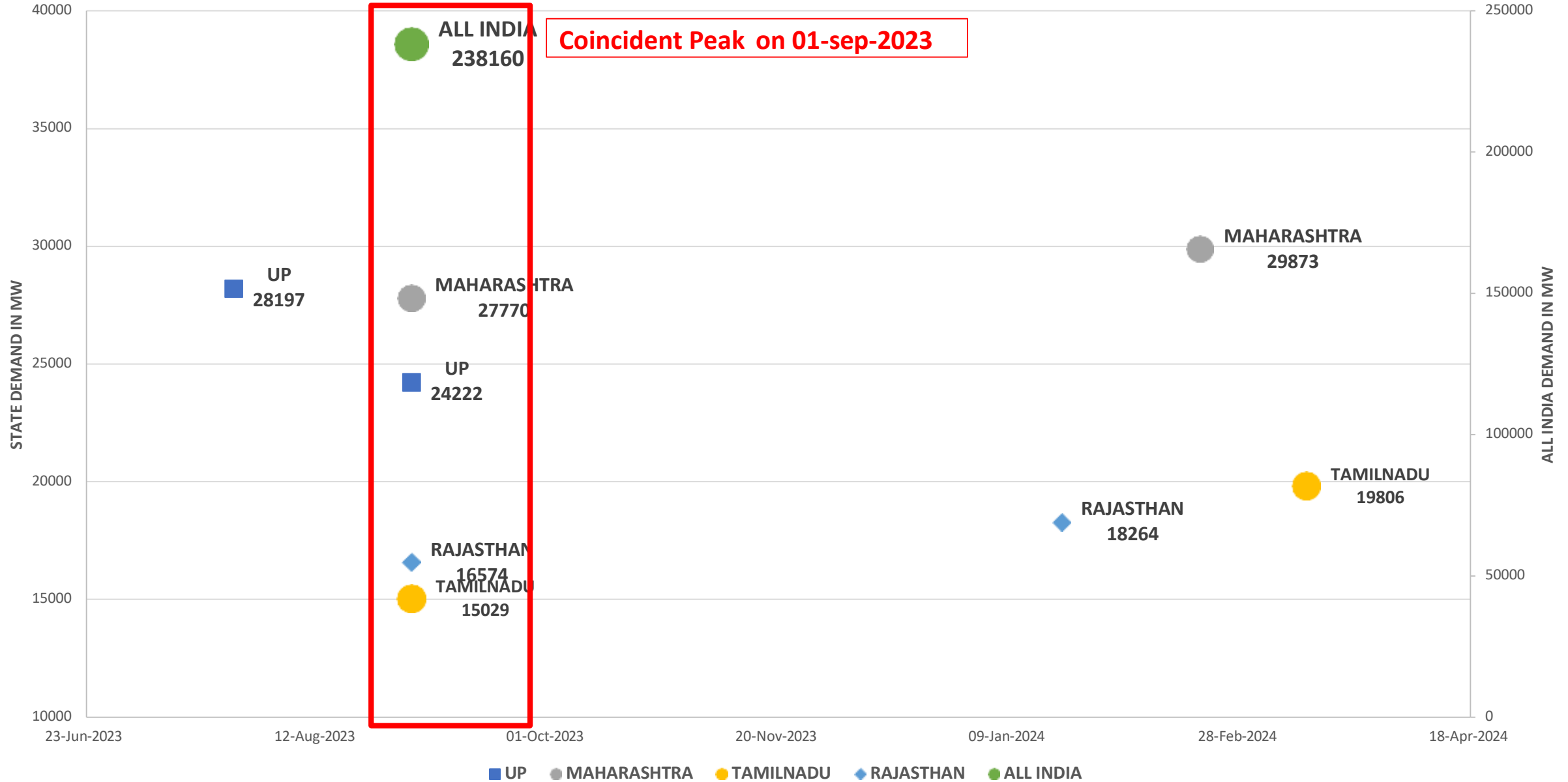
## What is Coincident Peak?

- Contribution of State/UT or Distribution Utilities during National Peak
- Top 5% of National Peak instead of Single Peak
- May or May not be same as own peak of State/UT

## Resource Adequacy framework

- The utilities must ensure sufficient tied-up capacity from long-term, medium-term, and short-term (Bilateral only) as per their contribution to National Peak demand +PRM
- Share of Capacity tie-up
  - Long term- 75-80%**
  - Medium-term- 10-20%**
  - Short-term- 5-10%**
- 100% tie-up for the first year and a minimum 90% tie-up for the second year to meet the requirement of their contribution towards meeting national peak to SERCs/JERCs

# Coincident Peak vs Own Peak(FY 2023-24)



# Methodology for Calculation of Coincident Peak

- **Top 5% methodology**

- Average State/Distribution Utilities Demand During the Top 5% of National Demand.

- **PROS:**

- Easier to calculate.

- **CONS:**

- Doesn't take into account time of day( Solar ,Non-Solar).
- Average value may not be adequate during high-demand hours.
- States with Solar Capacity tied up may face challenges in meeting their coincident peak demand during Non-Solar Hours

## Solar vs. NonSolar Hours

- Top 5 % of demand during Solar and Non-Solar Hours.
- 80<sup>th</sup> percentile Instead of Maximum

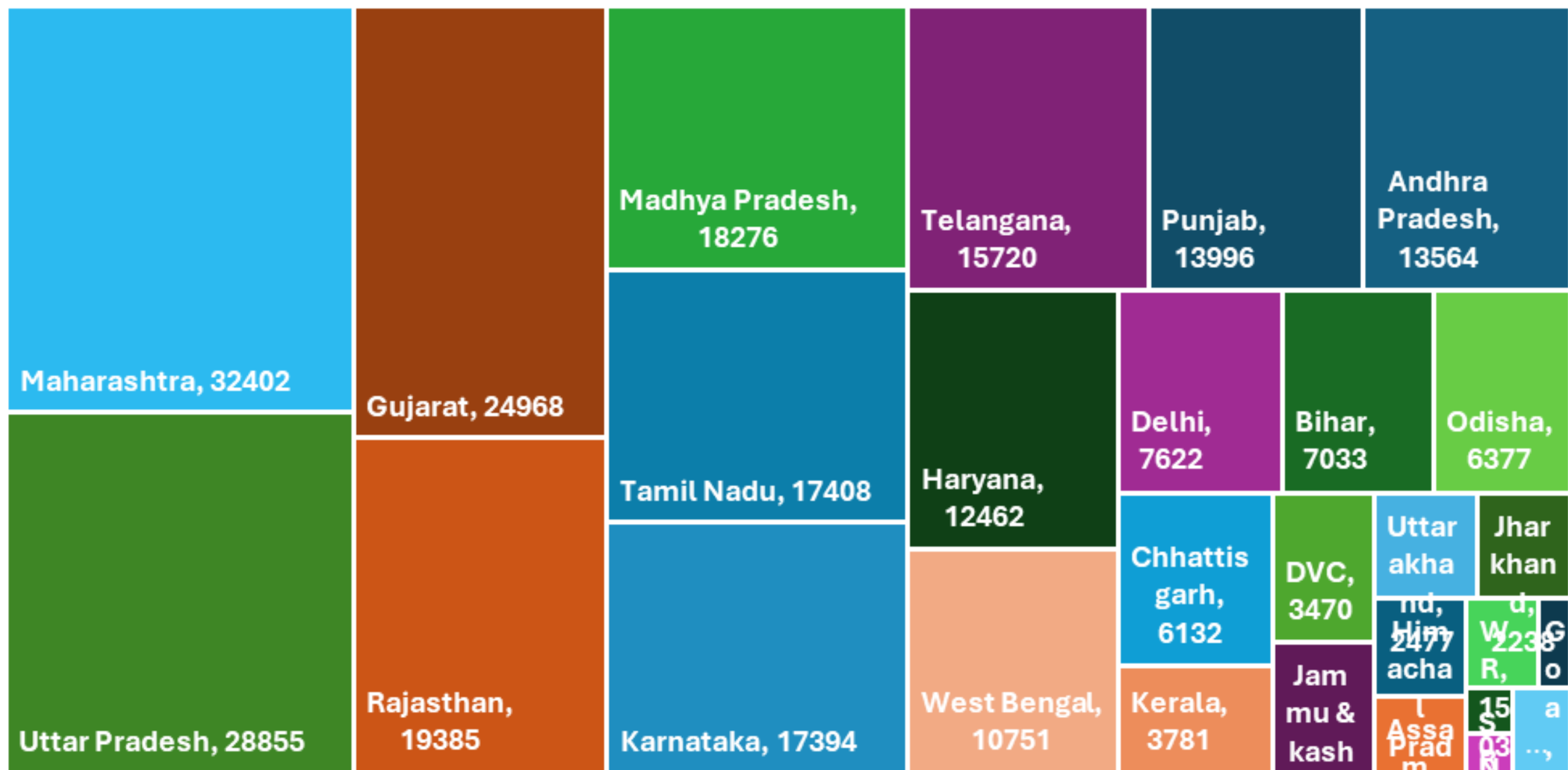
- PROS:**

- Impact of Solar, Non-Solar hours considered
- Different Coincident Peak requirements for Solar and Non-Solar Hours

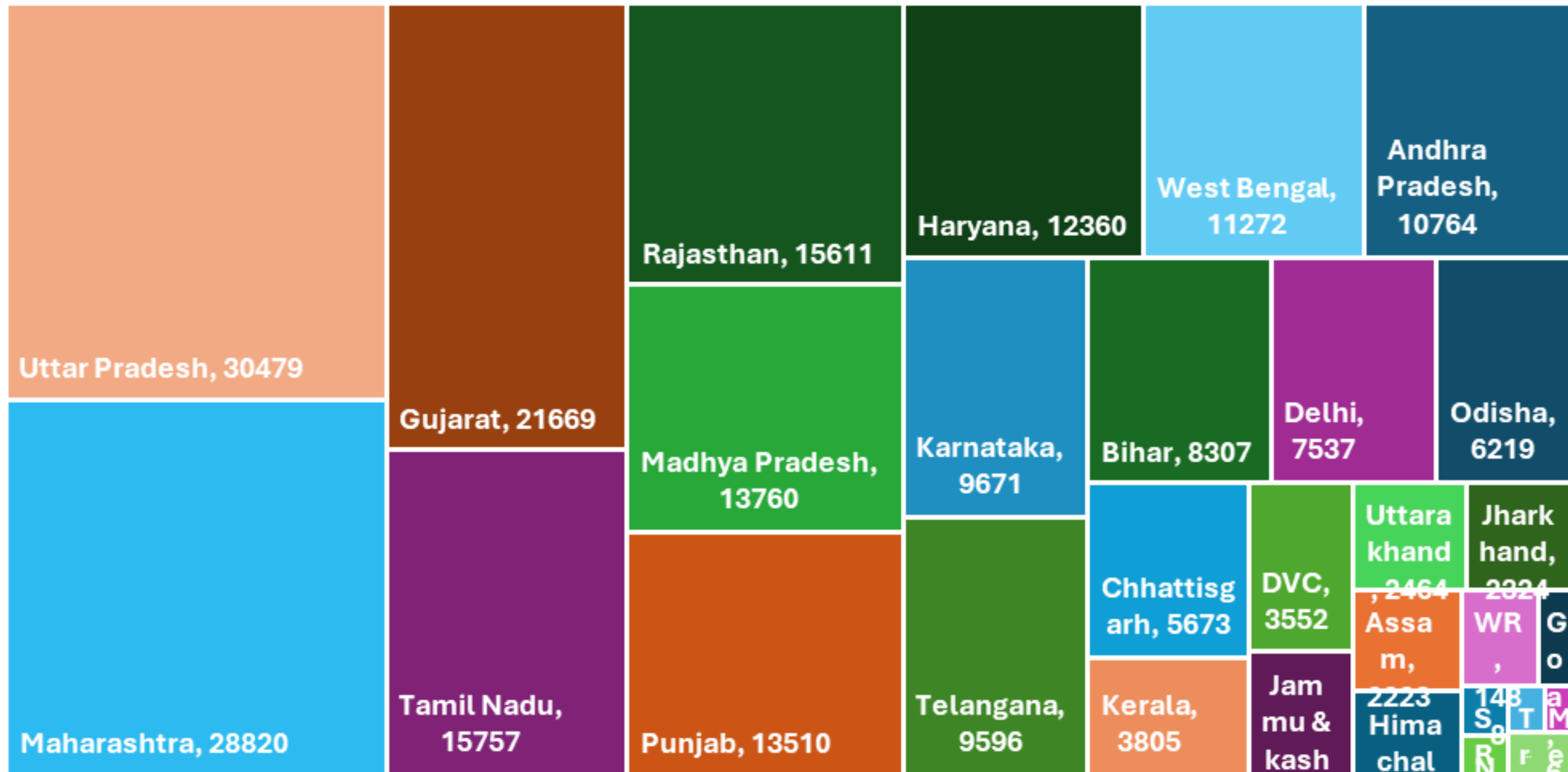
- CONS:**

- States with higher coincident peak demand during non-solar periods compared to solar periods may need to acquire additional conventional power capacity (like coal or gas) to meet their resource adequacy requirements

## 2025-26 Solar coincident peak



## 2025-26 Non Solar Coincident Peak





# Capacity Credit

## What is Capacity Credit?

- Capacity Credit refers to firm capacity available during peak demand period.
- Capacity Credit of Conventional Sources is based on availability.
- Capacity Credit of VRE Sources is calculated using Statistical analysis.

## Resource Adequacy framework

### At National Level

**$\sum$  Source wise Installed capacity (ALL INDIA) \* Capacity Credit of the source = National Peak Demand \* (1 + National PRM)**

### For Distribution Licenses

**$\sum$  Source wise tied up capacity (Distribution licensee) \* Capacity Credit of the source = Contribution to National Peak \* (1 + National PRM)**

# Methodology for calculation of Capacity Credit for VRE Sources

## Top 10% Demand methodology

- Median of VRE Profile during Top 10% demand Hours.
- Easier to calculate
- Doesn't take into account time of day( Solar ,Non Solar).

## Solar Vs Non-Solar Hours

- Top 5 % of demand during Solar and Non-Solar Hours.
- Median of Profile during Top 10% demand Hours
- Variation of Wind CC during Solar vs non-Solar Hours

## Critical Day Analysis

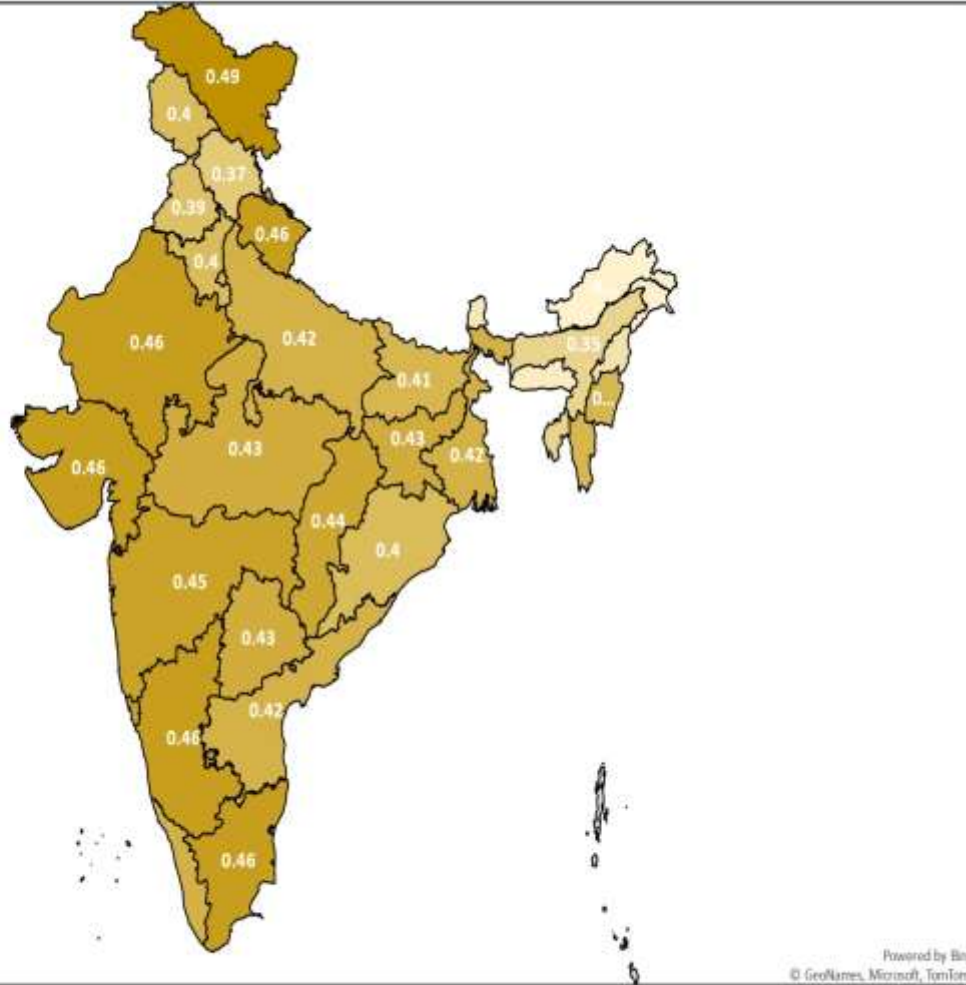
- Critical days instead of Critical blocks
- Both Demand & RE generation instead of only high Demand period
- High Demand- Low RE, Medium Demand-LOW RE days
- K means clustering algorithm
- Computationally complex

# Capacity Credit using Critical days analysis

<b>HIGH RE-Low Demand</b>	<b>High RE-Medium Demand</b>	<b>High RE-High Demand</b>
<b>Medium RE-Low Demand</b>	<b>Medium RE-Medium Demand</b>	<b>Medium RE-High Demand</b>
<b>Low RE-Low Demand</b>	<b>Low RE-Medium Demand</b>	<b>Low RE- High Demand</b>

# Capacity Credit of VRE Sources(Critical Days)

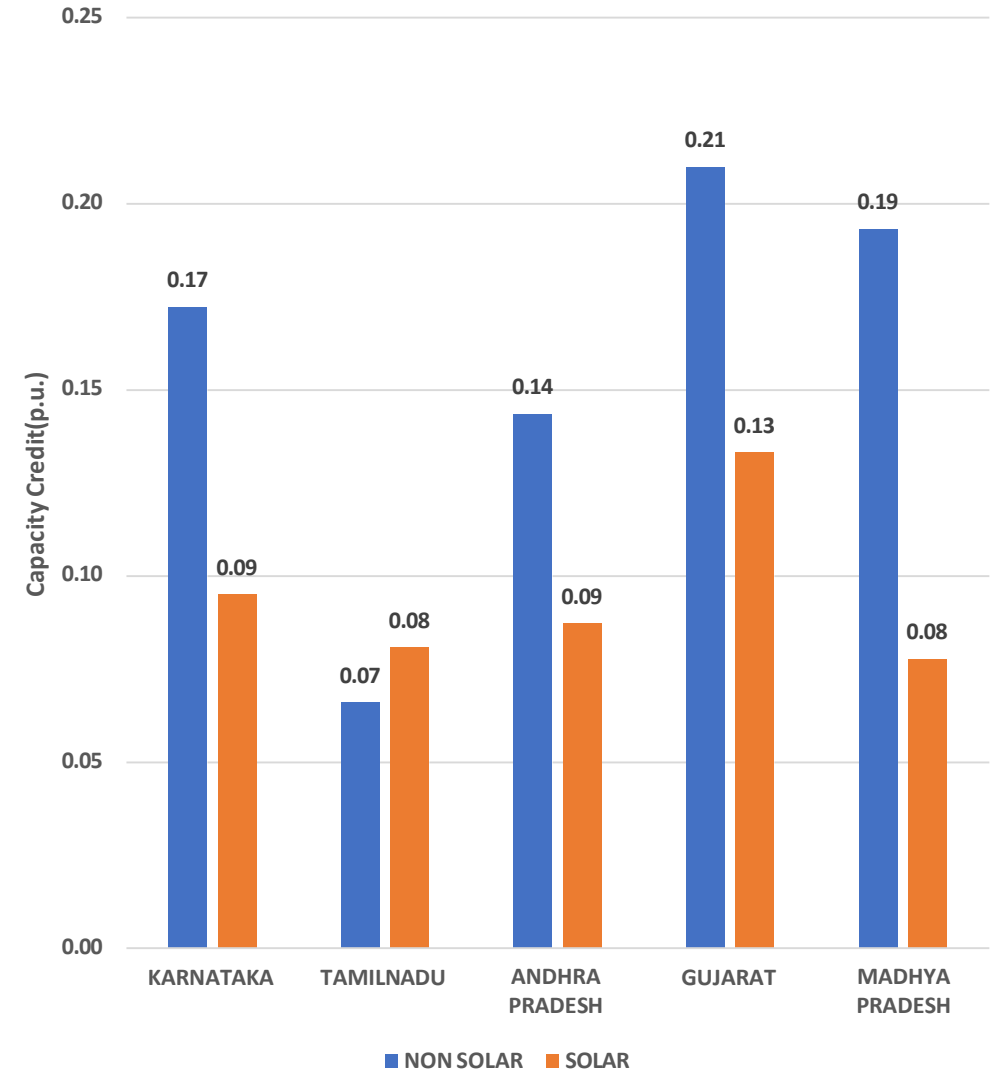
Capacity Credit of Solar(State Wise)(Critical Days)



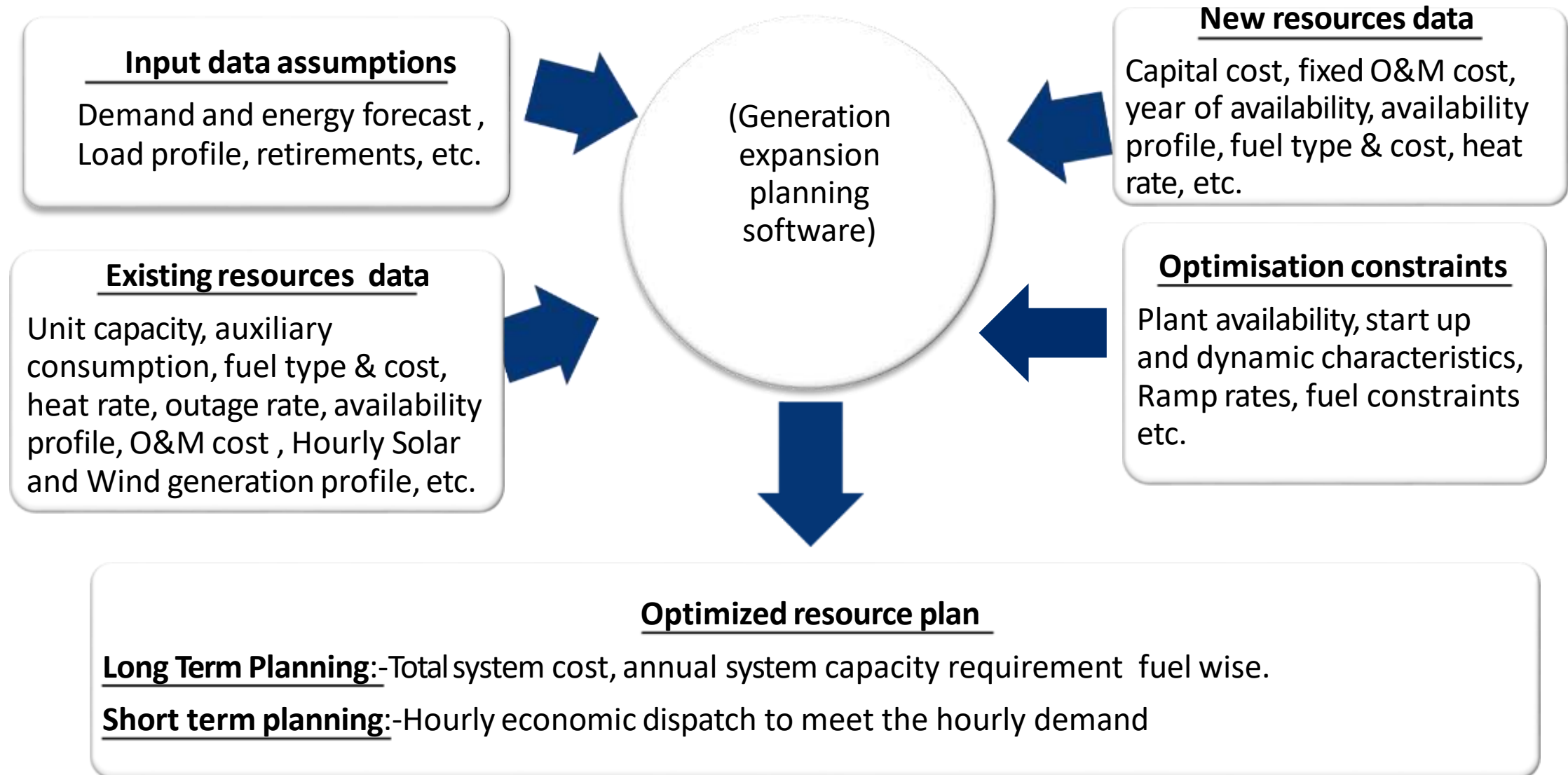
Capacity Credit (p.u.) (Solar)

0.29 0.49

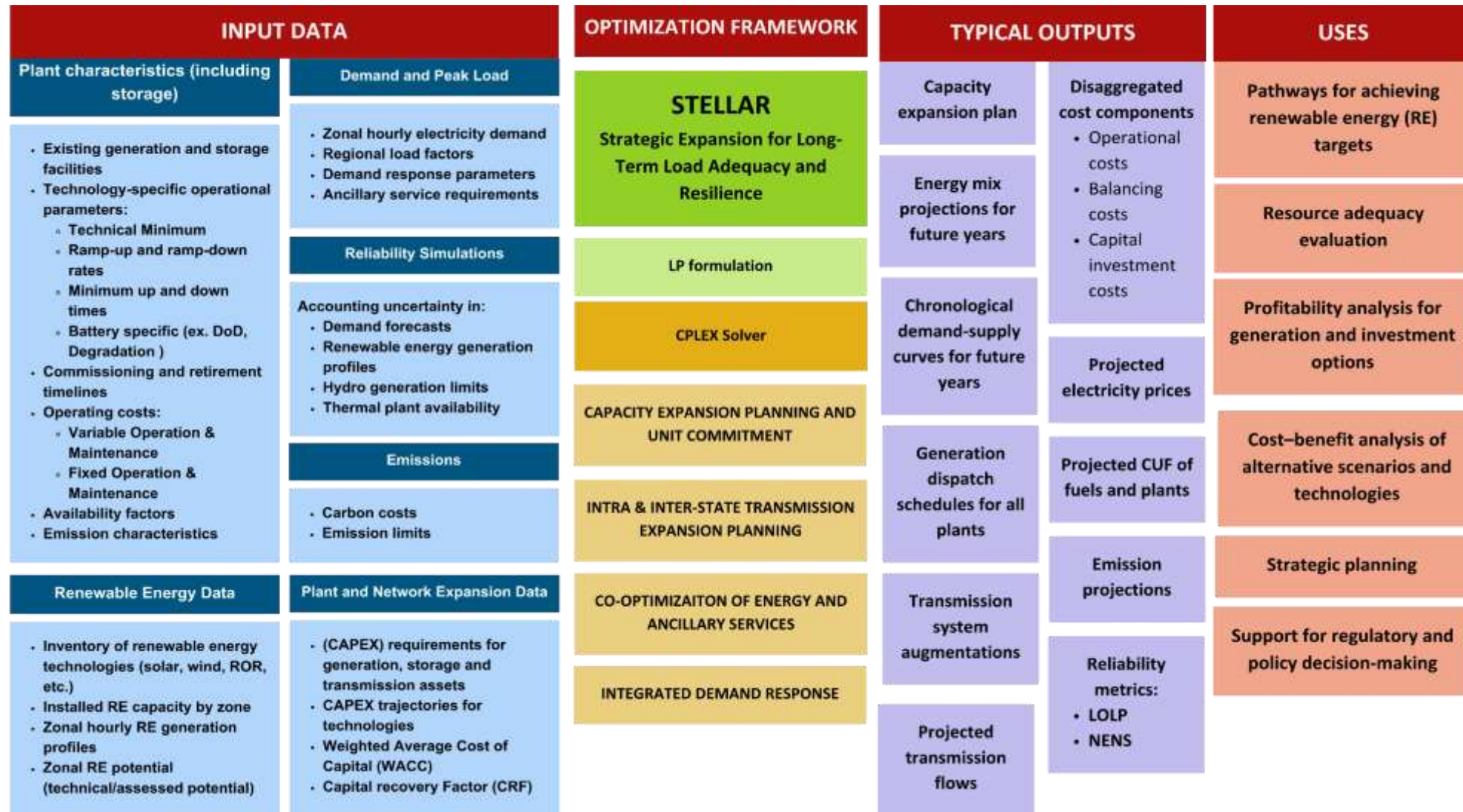
Capacity Credit of Wind( State Wise)(Critical Days)



# Modelling Methodology



# Optimization Model Framework



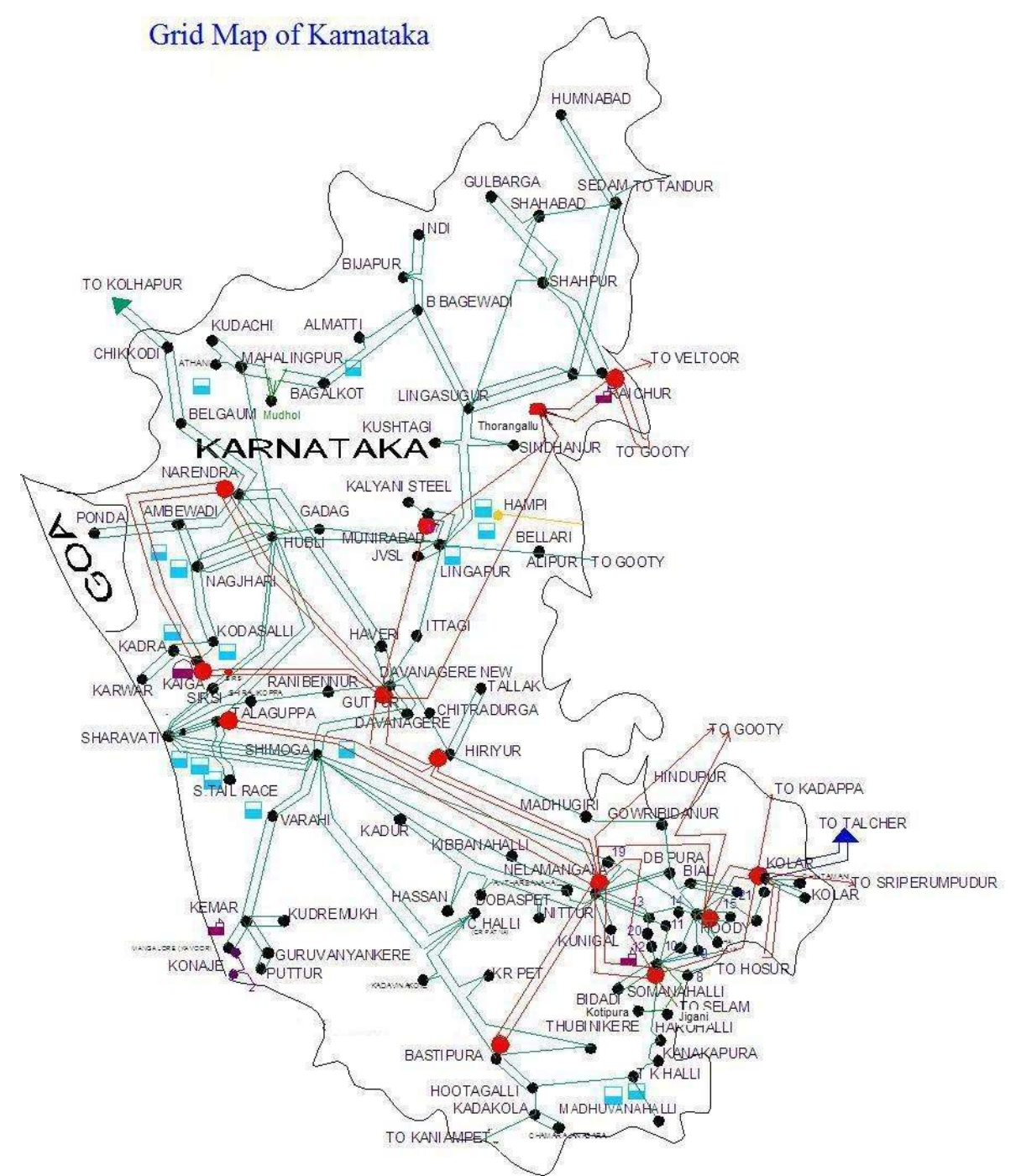
# Future Outlook

- Resource Adequacy tools to Utilities, SERCs, and SLDCs
- Annual updates to LT-NRAP and LT-DRAP.
- Emergence of new technologies (AI, advanced analytics).
- Improved coordination and system resilience.

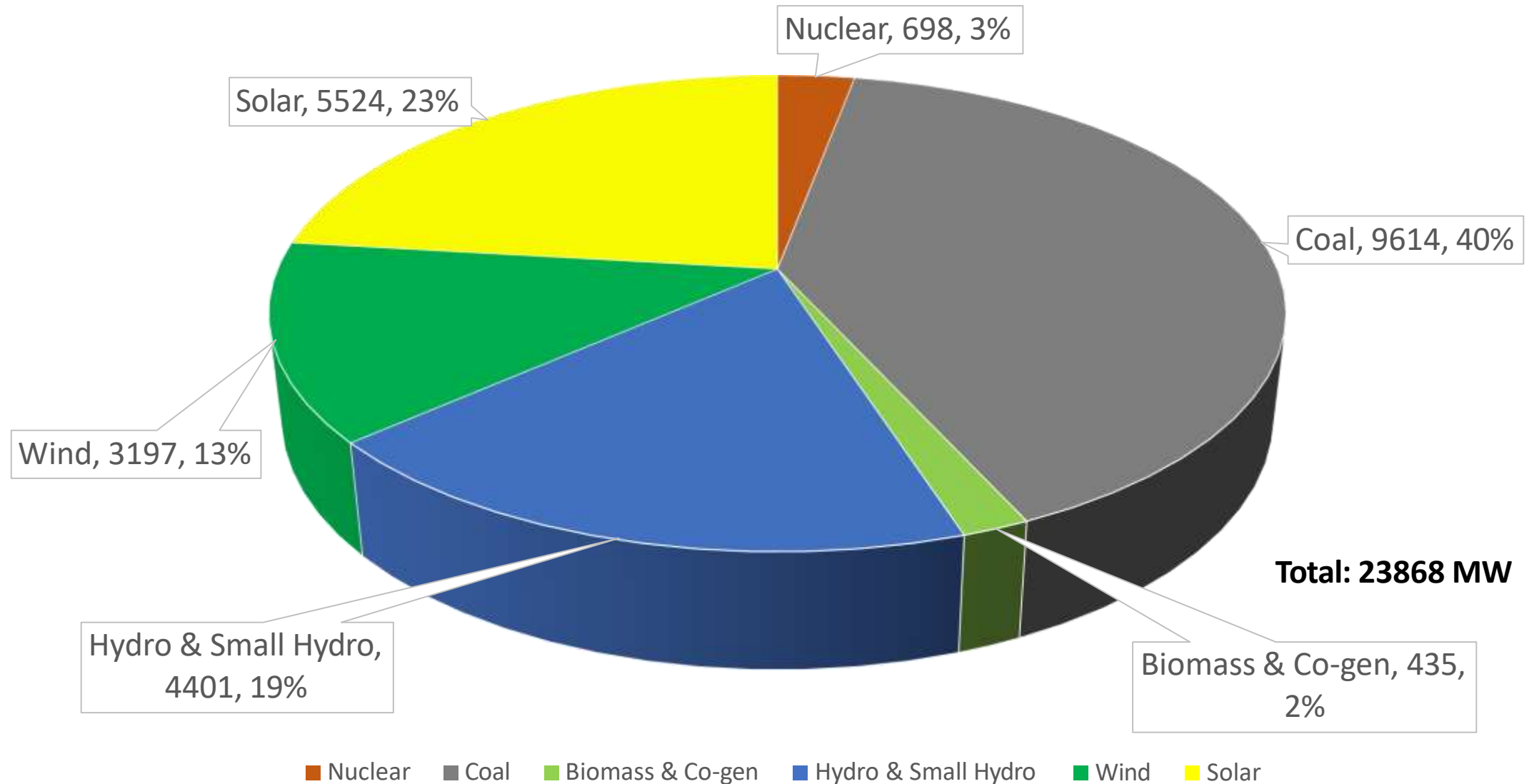


# Sample LT-DRAP Results

## KARNATAKA

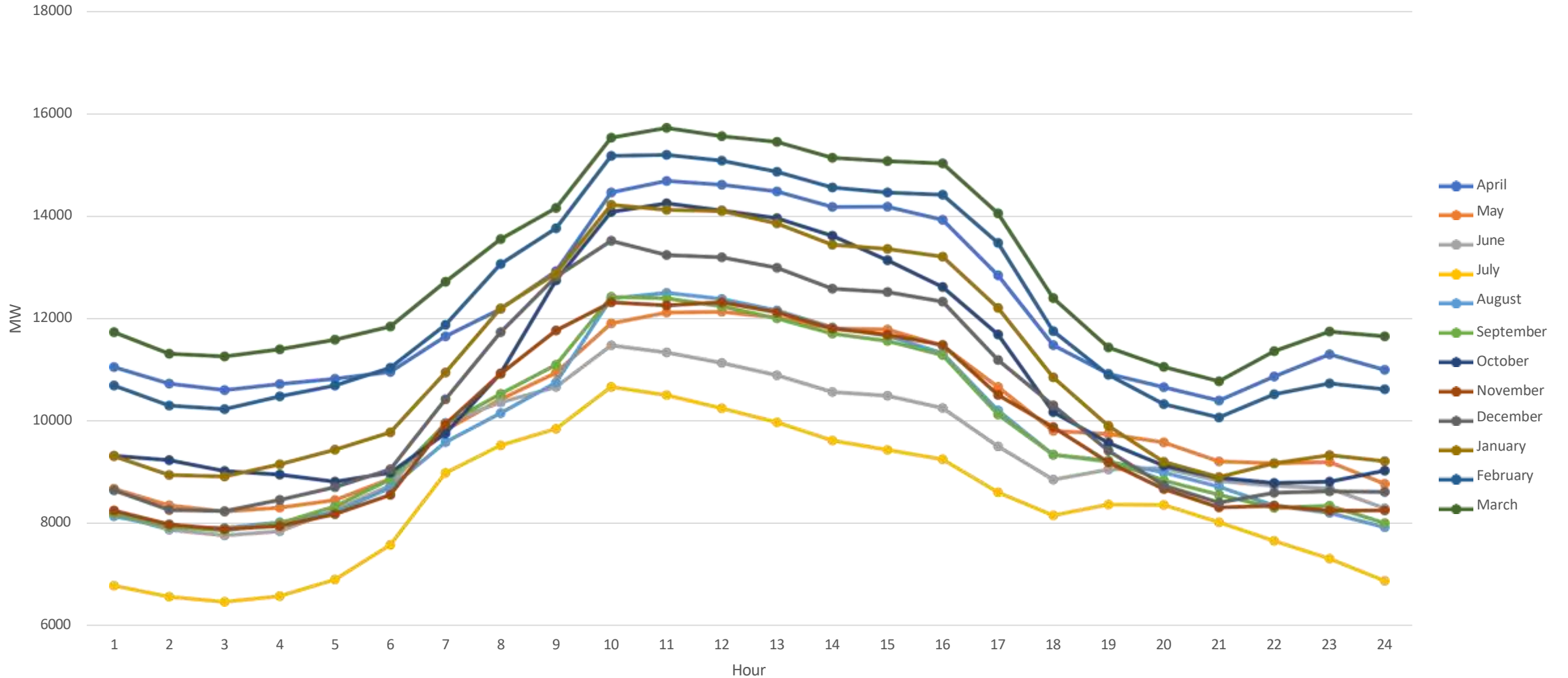


# Contracted Capacity as on 31.03.2024



# Demand Analysis (FY 2023-24)

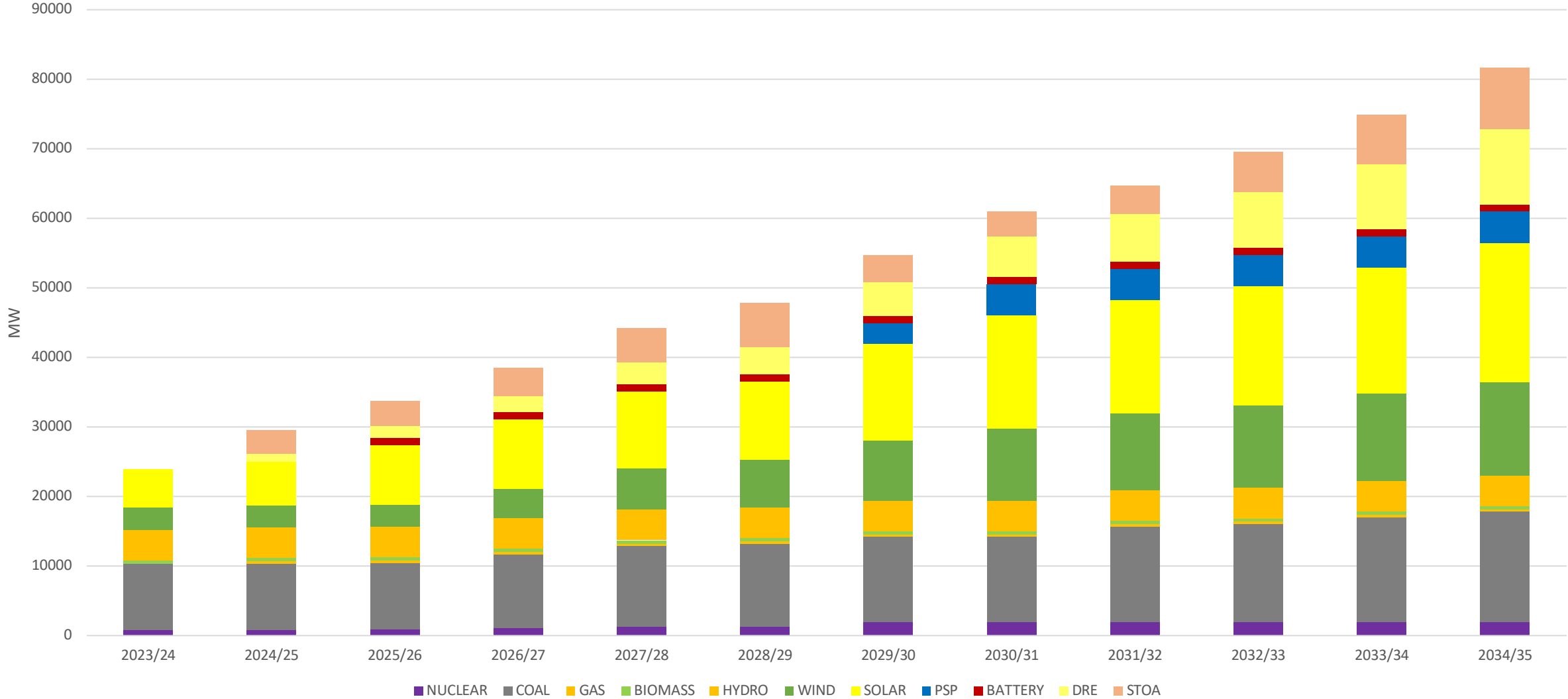
Average Monthly Hourly Profile of Sample State for 2023-24



# Long Term Resource Adequacy Study

- First Un-served Energy is evaluated based on existing and planned capacity.
- Based on the results obtained for unserved energy investment, Options provided to reduce unserved energy-
  - Candidate Coal Capacity
  - RE Capacity
  - Short Term Open Access
  - Energy Storage Systems
- CAPEX, O&M cost, year of availability, maximum capacity, and yearly maximum limit have to be provided for these investment options
- OUTPUT: Annual system capacity requirement fuel-wise.

# Projected Contract capacity (Sample State)



# Projected Contract capacity of Sample State

	COAL	GAS	NUCLEAR	BIOMASS + CO-GEN	HYDRO + SMALL HYDRO	WIND	SOLAR	Solar DRE	PSP	BATTERY	STOA
<b>2024/25</b>	9614	370	698	435	4401	3197	6277	1133	0	0	3374
<b>2025/26</b>	9614	370	782	435	4401	3197	8587	1713	0	1000	3571
<b>2026/27</b>	10614	370	1003	435	4401	4197	10087	2378	0	1000	4025
<b>2027/28</b>	11614	370	1224	435	4401	5947	11087	3180	0	1000	4943
<b>2028/29</b>	11914	370	1224	435	4401	6897	11287	4003	0	1000	6302
<b>2029/30</b>	12233	370	1924	435	4401	8647	13932	4950	3000	1000	3786
<b>2030/31</b>	12233	370	1924	435	4401	10397	16263	5877	4500	1000	3601
<b>2031/32</b>	13713	370	1924	435	4401	11147	16263	6872	4500	1000	4087
<b>2032/33</b>	14106	370	1924	435	4401	11897	17081	8027	4500	1000	5723
<b>2033/34</b>	15040	370	1924	435	4401	12647	18110	9329	4500	1000	7120
<b>2034/35</b>	15853	370	1924	435	4401	13397	20110	10826	4500	1000	8819

# Recommended Year-Wise Capacity Addition

FY	COAL		SOLAR		Wind		Yearly STOA
	Planned	Additional	Planned	Additional	Planned	Additional	Additional
2024/25	0	0	753	0	0	0	3374
2025/26	0	0	2310	0	0	0	3571
2026/27	1000	0	1500	0	1000	0	4025
2027/28	1000	0	1000	0	1000	750	4943
2028/29	300	0	200	0	200	750	6302
2029/30	0	320	1000	1645	1000	750	3786
2030/31	0	0	1000	1331	1000	750	3601
2031-32	1600	0	0	0	0	750	4087
2032/33	0	393	0	818	0	750	5723
2033/34	0	933	0	1028	0	750	7120
2034/35	0	813	0	2000	0	750	8819
FY	Battery		DRE		NUCLEAR	Gas	PSP
	Planned		Additional		Planned	Planned	Planned
2024/25	0		1133		0	370	0
2025/26	1000		580		84.4	0	0
2026/27	0		664		221	0	0
2027/28	0		802		221	0	1000
2028/29	0		823		0	0	0
2029/30	0		948		700	0	2000
2030/31	0		926		0	0	1500
2031-32	0		995		0	0	0
2032/33	0		1155		0	0	0
2033/34	0		1303		0	0	0
2034/35	0		1496		0	0	0



# Reliability Study



Reliability is run subject to following conditions to check LOLP and ENS and if required LT is run again to bring the LOLP and ENS within limit.

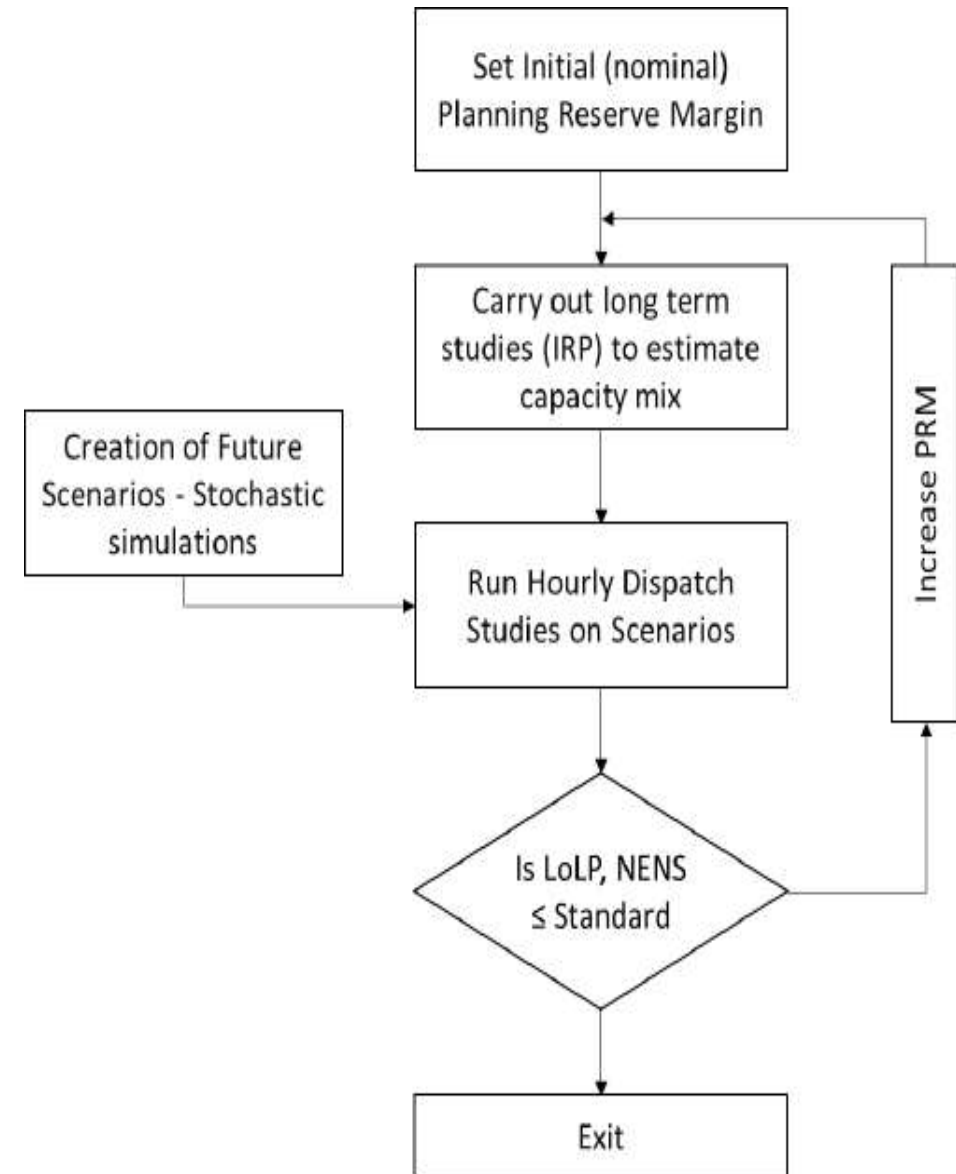


Loss of Load Probability- It is proportion of hours per year when the available generating capacity is insufficient to serve the peak demand. (LoLP of 0.2%)



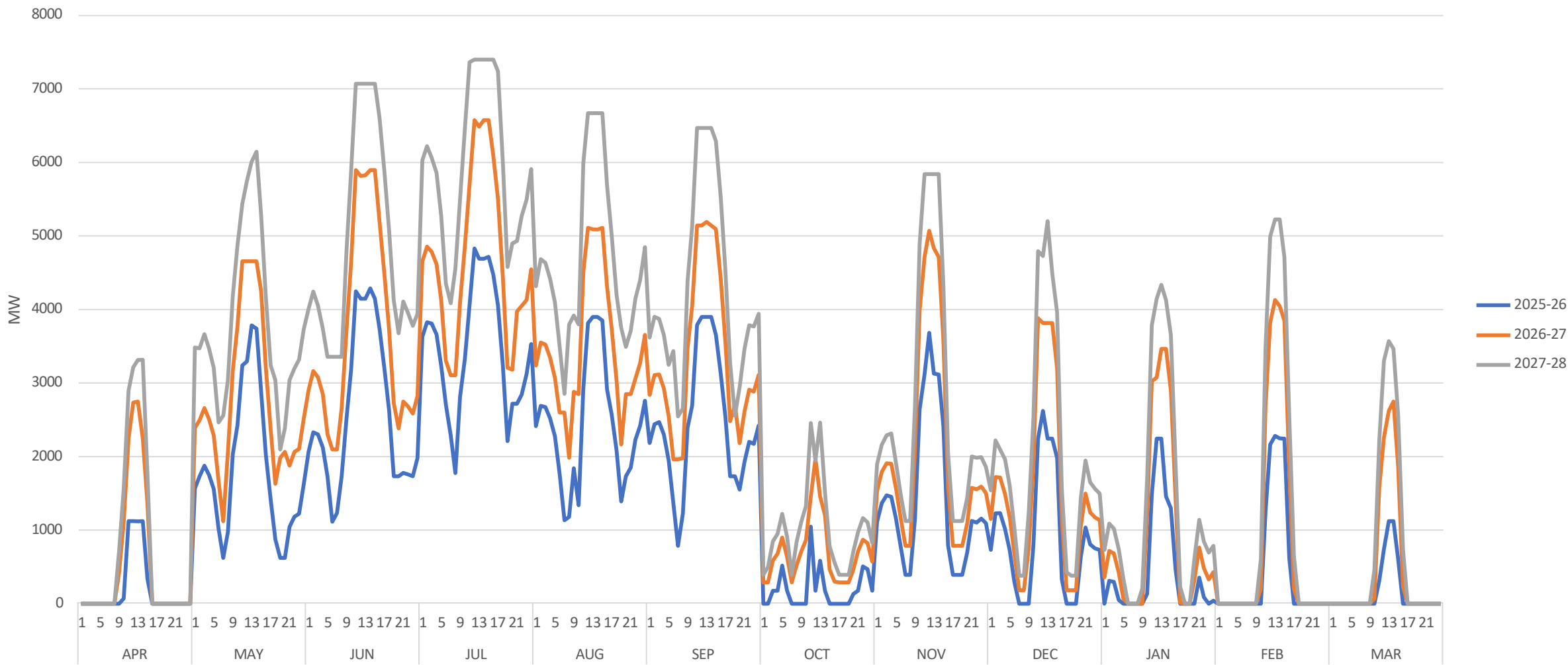
Energy Not Served(ENS)- it is expected amount of energy which the system will be unable to supply to the consumers as a fraction of total energy requirement. (0.05%)

# Reliability Study



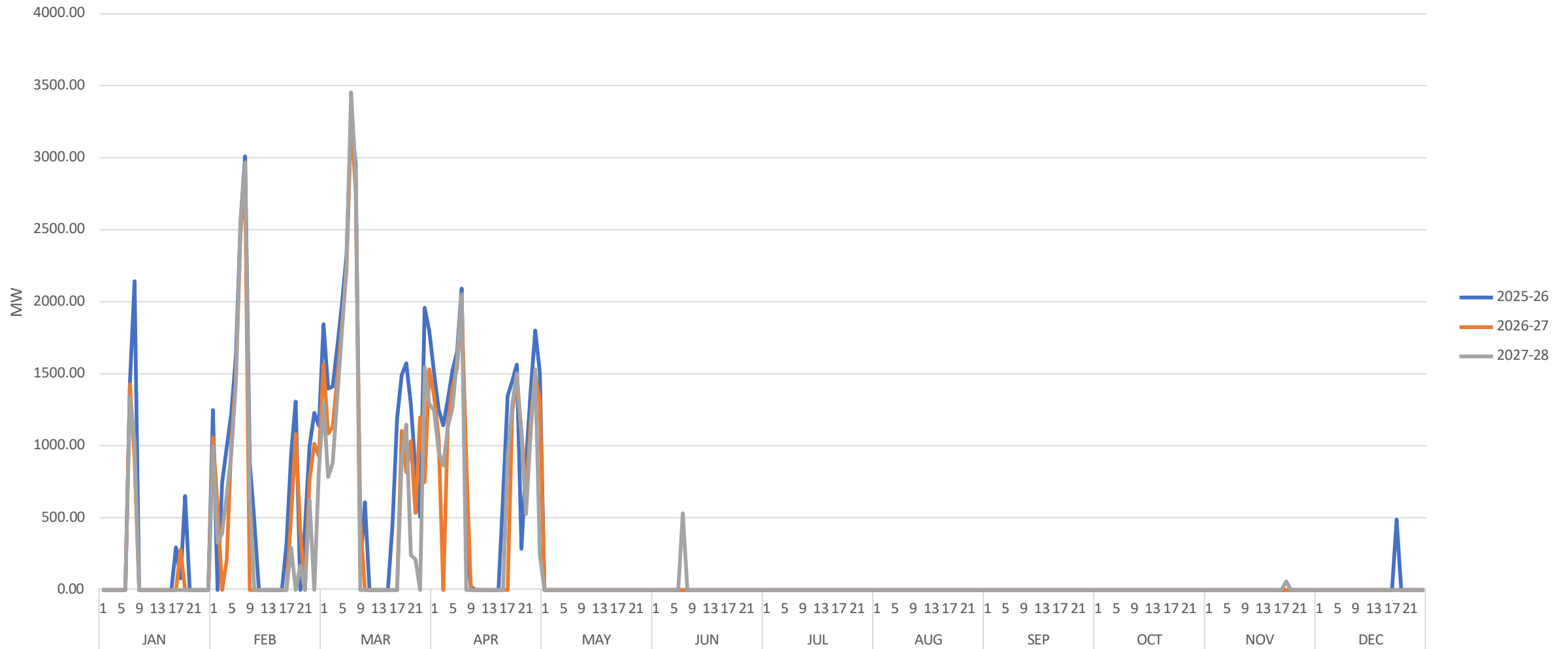
# Surplus Coal

Average Surplus in MW available



# STOA

Hourly STOA Dispatch (MW)



# Conclusion

- Annual Peak demand occurs in the month of March.
- Daily peak is mainly observed in the solar hour.
- 2459 MW of additional coal-based capacity required from 2028-29 till 2034-35 onwards (beyond under construction/ planned).
- During the period May to September, surplus coal availability ranges from 2100 MW to 7400 MW in 2027-28.
- Year on year STOA/MTOA/Banking arrangement/Market-based contracts to meet the power deficit in peak hours during March/April is:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Required Market Contracts	3374	3571	4025	4943	6302	3786	3601	4087	5723	7120	8819

# Q&A

- Thank you for your attention!
- Questions and discussions are welcome.

# Key Concepts in Resource Adequacy

- Resource Adequacy (RA): Contracting enough capacity to reliably meet peak demand.
- Planning Reserve Margin (PRM): Extra capacity beyond peak load to handle uncertainties.
- LOLP (Loss of Load Probability) and NENS (Normalized Energy Not Served): Metrics for reliability.



# Long-Term National Resource Adequacy Plan (LT-NRAP)

- Covers a 10-year planning horizon.
- Determines optimal Planning Reserve Margin (PRM) and generation mix.
- Guides capacity investments and ensures national RA compliance.
- Updated annually by CEA.

# Short-Term National RA Plan (ST-NRAP)

- One-year outlook prepared by NLDC.
- Includes demand forecasts, outages, under-construction status.
- Updated annually and aligned with DISCOMs' forecasts.

# Distribution Licensee RA Plan (LT-DRAP)

- Each DISCOM prepares a 10-year RA plan.
- Incorporates PRM, forecasted demand, contracted capacity.
- Validated by CEA and submitted to SERC for approval.

# RA Planning Process

- Forecast demand over 10 years.
- Assess existing and under-construction resources.
- Identify additional capacity needs.
- Ensure compliance with RAR and PRM.

# Procurement Strategy

- Use a mix of Long (75-80%), Medium (10-20%), and Short-term contracts.
- Exclude power exchange procurement from RAR.
- Contract ahead of time to match gestation periods of technologies.

# Energy Storage and Flexibility

- Essential for integrating intermittent RE sources.
- Guidelines issued for co-located storage with solar.
- Storage can enhance reliability and reduce system costs.

# Capacity Credit Methodologies

- Top Demand Hours: Used for existing resources.
- Top Net Load Hours: Accounts for system stress.
- ELCC (Expected Load Carrying Capability): Advanced, stochastic modeling approach.



# Scenario Modelling

- Incorporates uncertainty: demand, RE generation, outages.
- Uses Monte Carlo simulations.
- Tests system response under multiple future scenarios.

# Optimal PRM & System Cost

- Balance reliability and cost efficiency.
- Use Marginal Cost of Reducing Load Shed (MCRLS) to find economic PRM.
- Target: PRM where MCRLS equals Value of Lost Load (VoLL).

# Methodology Summary

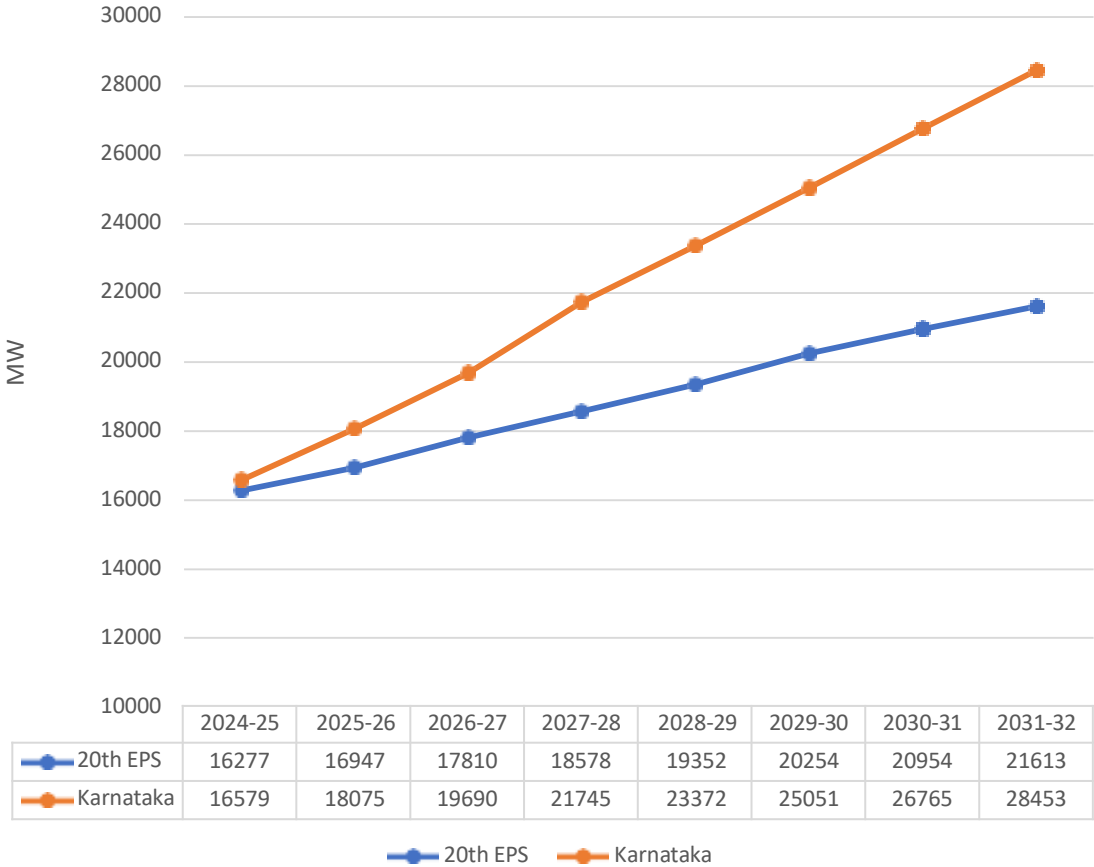
- Demand forecast (hourly resolution).
- Optimization with technical and policy constraints.
- Model includes RE profiles, storage, ramping limits, reserve needs.
- Outputs: generation mix, investment needs, RA compliance.

# Compliance Monitoring

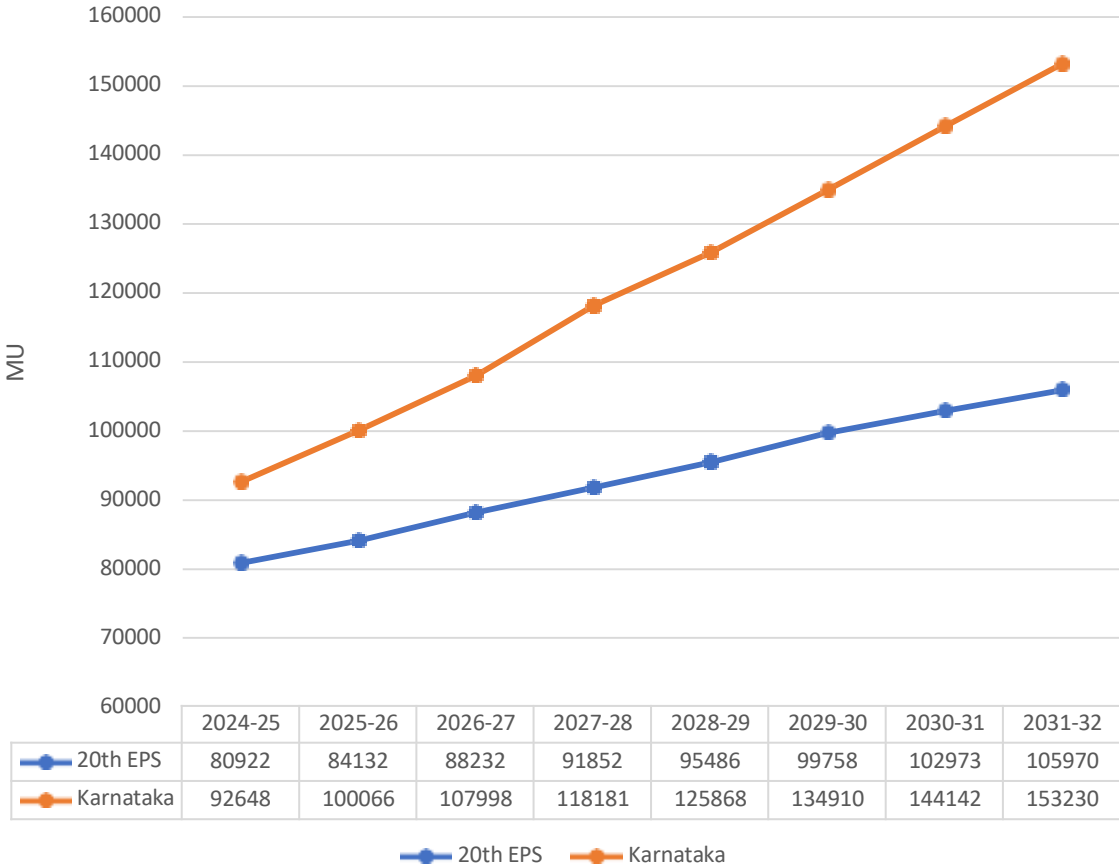
- Timeline-driven approach from May to March each year.
- CEA, SLDC, RLDC, and NLDC roles defined.
- Shortfalls addressed via national auction or regulatory action.

# Demand Projections

Peak Demand Projections



Energy Requirement Projections



# Defining Features of STELLAR

