

Appendix-II

**Comments/suggestions on Draft Amendment to Central Electricity
Regulatory Commission (Sharing of Inter State Transmission Charges and
Losses) (Third Amendment) Regulations, 2014 during Public Hearing on
12.6.2014**

S. No.	Company/Stakeholder/Individual
1.	Adani Power Ltd.
2.	Central Transmission Utility (CTU),
3.	GRIDCO Limited
4.	Himachal Small Hydro Power Association
5.	NTPC Ltd.
6.	Power System Operation Corporation Limited (POSOCO)
7.	Shri. S. A. Soman and Shri. Somasekara Rao Manda
8.	Thermal Powertech Corporation India Ltd (Thermal Powertech)
9.	Torrent Power Ltd.

1. Amendment in Regulation 2

1.1. Sub-clause (b) along with Proviso of clause (1) of Regulation 2

1.1.1. No Comments during presentation

1.2. Sub-clause (c) along with Proviso of clause (1) of Regulation 2

1.2.1. TPCIL Comments:

It is appreciable concept from Honorable Commission which ensures levy of transmission charges based on the peak injection / actual instead of LTA.

1. It helps in capturing the DICs whose actual utilization is more compare to LTA granted.
2. Further it is relief for IPPs, who have taken LTA for full quantum and actual utilization of the grid is less due to various issues (fuel shortage, unavailability of PPA's).

This will encourage generators to declare actual LTOA requirements meanwhile avoiding unnecessary burden in case of lower PLF's/under generation.

1.2.2. POSOCO:

(1) Issues:

- Sanctity of Approved Injection quantum
- Wide variation in generation
- Jurisdiction issues

(2) View:

- Implementation of GNA before changing the Sharing regulations
- Approved Injection
 - Regional Entities: Installed capacity including overload capacity, less auxiliary consumption or LTA whichever is higher
 - Intra State Entities: LTA / MTOA quantum

(3) Support: CEA suggested the concept of GNA for sharing of Transmission Charges based on connected quantum.

1.2.3 Torrent Power Ltd.:

- (1) The existing practice of sharing the POC charges is based on the quantum of Open Access and average case scenario.
- (2) As said validly in the explanatory memorandum, transmission planning is based on peak scenario and to cater to the maximum demand, the computation of PoC charges by current method does not capture the usage of transmission system correctly.
- (3) Due to large difference in peak and off peak usage and considering the fact that the transmission system designing is required on peak scenario, it is very much necessary to make transmission charges reflective of maximum injection/ peak withdrawal. This would ensure payment of transmission charges for the utilization of assets.
- (4) Therefore, CERC's draft (Sharing of Inter State Transmission Charges and Losses) (Third Amendment) Regulations, 2014 is a welcome step which is a step forward for levy of transmission charges based on maximum injection and pick withdrawal (ACTUAL USAGE) instead of OPEN ACCESS AVAILED.
- (5) We request to kindly amend the existing Regulations so that Transmission Charges should be charged on the Maximum Injection/ Peak Withdrawal instead of quantum of OPEN ACCESS AVAILED or average usage.
- (6) We also request to allow DICs to send quarterly forecast of the injection and withdrawal along with proper justification which can be vetted by the Implementing Agency.
 - ✓ Revision in such forecast may be allowed with proper justification
 - ✓ In such cases, the transmission Charges should thus be applicable on such forecasted/revised injection / withdrawal

1.3 Sub-clause (f) along with Proviso of clause (1) of Regulation 2

1.3.1. Torrent Power Ltd.:

- (1) The existing practice of sharing the POC charges is based on the quantum of Open Access and average case scenario.
- (2) As said validly in the explanatory memorandum, transmission planning is based on peak scenario and to cater to the maximum demand, the computation of PoC charges by current method does not capture the usage of transmission system correctly.
- (3) Due to large difference in peak and off peak usage and considering the fact that the transmission system designing is required on peak scenario, it is very much necessary to make transmission charges

reflective of maximum injection/ peak withdrawal. This would ensure payment of transmission charges for the utilization of assets.

- (4) Therefore, CERC's draft (Sharing of Inter State Transmission Charges and Losses) (Third Amendment) Regulations, 2014 is a welcome step which is a step forward for levy of transmission charges based on maximum injection and peak withdrawal (ACTUAL USAGE) instead of OPEN ACCESS AVAILED.
- (5) We request to kindly amend the existing Regulations so that Transmission Charges should be charged on the Maximum Injection/ Peak Withdrawal instead of quantum of OPEN ACCESS AVAILED or average usage.
- (6) We also request to allow DICs to send quarterly forecast of the injection and withdrawal along with proper justification which can be vetted by the Implementing Agency.
- ✓ Revision in such forecast may be allowed with proper justification
 - ✓ In such cases, the transmission Charges should thus be applicable on such forecasted/revised injection / withdrawal

1.3.2 **POSOCO:**

(1) **Issues:**

- Sanctity of Approved Withdrawal quantum
- Transmission charges based on subjective quantum
- Fast change in demand due to several factors

(2) **View:**

- Implementation of GNA before changing the Sharing Regulations
- Approved Withdrawal – Present system more appropriate.
 - LTA+MTOA or Peak drawl, whichever is higher
 - For additional drawl, STOA charges or deviation charges would have to be paid

- (3) **Support:** No linkage to the data submitted by DICs which may be prone to gaming

1.4. **Sub-clause (l) of clause (1) of Regulations 2**

1.4.1. No Comments during presentation

1.5. **Sub-clause (v) of clause (1) of Regulation 2**

1.5.1. TPCIL Comments: It is a welcome step to dispense off with the uniform charges method of calculating transmission charges as the Uniform charge method was not accounting for commensurate usage of transmission system.

1.5.2. POWERGRID:

Changes in Computation of PoC charges – Welcome step

- 1) Proposed amendments addresses concerns of different stakeholders.
- 2) Transmission charges allocation being aligned with the planning

1.5.3. GRIDCO Ltd.: Extra payment to the tune of Rs. 90Cr due to 50% uniform sharing charges

1.5.4. Torrent Power Ltd.:

- (1) The very concept of evolving POC Regulations is to devise the mechanism to reflect distance, direction and quantum sensitive transmission charges so as to give right signals to the market for optimization of overall cost.
- (2) In the existing system, the cost of transmission charges gets pooled and the beneficiaries require to bear the cost though the transmission assets are not being used.
- (3) For smooth implementation, the Hon'ble Commission has initially adopted hybrid system. During last 2 yrs, the necessary systems have been evolved and therefore, it is right time to dispense with the Uniform Charge & Slab system. The existing slab system distorts the transmission charges and results into the skewed recovery of transmission charges i.e. though actual transmission charges are lower, the beneficiary end up paying higher transmission charges despite into lower slab and vice versa.
- (4) The suggestion of POSOCO to reduce the weightage to Uniform Charges and increasing the number of slabs also in line with spirit of the Regulations to reflect the actual cost.
- (5) Therefore, we request the Hon'ble Commission to dispense with the existing system of Uniform Charges and Slabs.

1.5.5. Shri. S. A. Soman and Shri. Somasekara Rao Manda: Dispense with 50% component from postage stamp method. Marginal participation approach is the right way to proceed but present dispersed slack bus selection rule based on average participation method is a heuristic. It cannot be argued to be fair.

1.6. Sub-clause (w) of clause (1) of Regulation 2

No Comments during presentation

1.7. Sub-clause (x) of clause (1) of Regulation 2

No Comments during presentation

1.7 Sub-clause (y) of clause (1) of Regulation

1.7.1 GRIDCO Ltd: Hon'ble Commission's determined cost for transmission assets should be adopted for determination of YTC.

2. Amendment in Regulation 3

2.1. Sub-clause (b) of Regulation 3

2.1.1. No Comments during presentation

3. Amendment in Regulation 7

3.1. Sub-clause (d) of clause (1) of Regulation 7

No Comments during presentation

3.2. Sub-clause (e) of clause (1) of Regulation 7

No Comments during presentation

3.3. Sub-clause (i) of clause (1) of Regulation 7

No Comments during presentation

3.4. Sub-clause (l) of clause (1) of Regulation 7

3.4.1. POSOCO:

1) Issues:

- There would be wide variance between highest and lowest (can be NIL)
- Unique rate for each entity may not be prudent
- Many Assumptions in the computation process
 - Tariff of many transmission assets is provisional

- Varying Load/Generation scenario represented by single scenario
 - Commissioning of new assets
 - Substation cost is not separated
- 2) **View:** 5 slabs in next step and gradually to more no. of slabs, say 7 or 9

3) **Support:**

- ✓ All cybernetics follow slab/tier rates e.g. metro rail tickets, bus fare etc.
- ✓ The aberrations arising out of assumptions would get evened out.

3.4.2 GRIDCO Ltd.: Extra payment of Rs. 34Crs due to slab rates.

1.4.3 Torrent Power Ltd.:

- 1) The very concept of evolving POC Regulations is to devise the mechanism to reflect distance, direction and quantum sensitive transmission charges so as to give right signals to the market for optimization of overall cost.
- 2) In the existing system, the cost of transmission charges gets pooled and the beneficiaries require to bear the cost though the transmission assets are not being used.
- 3) For smooth implementation, the Hon'ble Commission has initially adopted hybrid system. During last 2 yrs, the necessary systems have been evolved and therefore, it is right time to dispense with the Uniform Charge & Slab system. The existing slab system distorts the transmission charges and results into the skewed recovery of transmission charges i.e. though actual transmission charges are lower, the beneficiary end up paying higher transmission charges despite into lower slab and vice versa.
- 4) The suggestion of POSOCO to reduce the weightage to Uniform Charges and increasing the number of slabs also in line with spirit of the Regulations to reflect the actual cost.
- 5) Therefore, , we request the Hon'ble Commission to dispense with the existing system of Uniform Charges and Slabs

1.5 Sub-clause (k) of clause (1) of Regulation 7

6.5.1. Shri. S. A. Soman and Shri. Somasekara Rao Manda:

Avoid truncation of network while determining PoC tariffs.

6.5.2. POSOCO:

1) Issues:

- Most of the Inter State transmission system in the country is on 400 kV and above.
 - Transmission charges of these lines are to be recovered
- 2) **View:** Truncation may be done at 220/230 kV level in rest of the country and 132 kV level in NER
 - 3) **Support:** 132 kV and 110 kV lines are mostly being used in radial mode.

3.5.3 **GRIDCO Ltd.:** Truncation of Network to 400kV Level failed to take account of Odisha's STU Networks.

3.6 **Sub-clause (I) of clause (1) of Regulation 7**

3.6.1. **Shri. S. A. Soman and Shri. Somasekara Rao Manda**

- 1) We recommend that min-max fair marginal participation approach can be used for solving a fair transmission system cost allocation problem as
 - i) 'extent of use' calculations confirm to KCL and KVL and
 - ii) every price taking entity has a guarantee that its price cannot be reduced without increasing price of another entity which pays equal or higher price.
- 2) It resolves the dilemma (or ambiguity) in calculating the 'extent of use' in marginal participation approach
- 3) Price vector obtained in min-max MP is unique
- 4) Fairness of dispersed slack selection rule can be established beyond any reasonable doubt by using min-max fairness policy.
- 5) Cost allocation should be done in linearized load flow framework also known as DC load flow framework. It will guarantee unique min-max fair PoC tariffs

Case study on all India 400kV truncated network

From the results presented, we observe the following:

- 1) Min-max fair MP approach is both direction and flow sensitive cost allocation method.
 - i) Maximum PoC in different cases as high as 5.09 times postage stamp rate in 2012-13 scenario.
- 2) Min-max fair MP approach improves equity.
 - i) Least standard deviation is achieved in min-max MP vis-a-vis min-max fair power flow tracing, AP and MP-AP hybrid approach.

- ii) Note that 50% of MP-AP + 50% postage stamp method artificially giving better equity as 50% combination is by postage stamp method which disregards the usage based framework.
 - iii) Adding 50% postage stamp contribution in MP-AP hybrid approach damps the direction and flow sensitivity.
- 3) Maximum PoC tariff in min-max fair MP approach is lower than any other approach.
- 4) Instead of addressing equity concerns in MP-AP hybrid approach by mixing it with postage stamp allocation, it is better to follow a rigorous and fair cost allocation method like min-max fair MP method.
- 5) The minimum PoC tariff according to the method proposed in CERC regulations 2010 (MPAP+PS) is non zero, wherein other methods the minimum PoC is zero. Zero PoC cases are important as it indicates that load or generator does not use network at all.
- 6) Thus, min-max fair MP approach leads to a fair selection of economic slack busses.

3.7. Sub-clause (n) of clause (1) of Regulation 7

No Comments during presentation

3.8. Sub-clause (o) of clause (1) of Regulation 7

3.8.1. POSOCO:

(1) Issues:

- Average data is well accepted and available at CEA website
- Peak data available at CEA website are one-time peak achieved during the month and may not correctly represent the real scenario.
- Difficulty in obtaining peak generation from intra-state generators

(2) View: Continue with Average case

(3) Support: Undisputed and well accepted procedure

3.9 Sub-clause (q) of clause (1) of Regulation 7

3.9.1. POSOCO:

(1) Issues:

- Every entity avails reliability support from the grid
- Many entities would have 'NIL' charge

➤ Disparity among DICs

(2) **View:** Uniform Charge component should be at least 25% and may be renamed as “reliability charge.

(3) **Support:** All the entities are availing reliability support of the grid and must be liable to pay some charges.

3.10 Sub-clause (s) of clause (1) of Regulation 7

No Comments during presentation

3.10. Para (iv) under sub-clause (t) of clause (1) of Regulation 7

No Comments during presentation

3.11. Para (vii) under Sub-clause (t) of clause (1) of Regulation 7

3.11.1. Adani Power Ltd.:

(1) “In case an ISGS is connected only to STU network and the shares of beneficiaries of this station are being delivered through the STU network, such a line of STU shall be considered as an ISTS.

(2) If an ISGS is connected to both STU and ISTS, the injection corresponding to flow on ISTS shall only be considered for transmission charges.....”

(3) APL’s View:

i) When an ISGS is connected to both STU and ISTS, power flow in ISTS changes based on various conditions such as demand, line impedance etc.

ii) There can also be situations where Home State is not being able to draw its share through STU.

iii) Tripping of any transmission element in STU network may lead to higher injection in ISTS and vice versa.

iv) Such circumstances, lead to ISGS paying higher transmission charges, which is unreasonable.

v) The transmission capacity considered for levy of transmission charges shall not exceed installed capacity of ISGS under any circumstances.

(4) APL's suggestion:

- i) Injection by the ISGS into ISTS = Actual Injection by ISGS into ISTS – (Difference between the scheduled power and actual power drawn through STU network by the Home State)
- ii) Inadvertent power flows due to tripping of any line shall not be considered as actual injection.
- iii) Increase in power flow as per instructions of System Operator, such incidences shall not be considered for levy of transmission charges on ISGS

“.....However, the application of losses shall depend on whether RLDC or SLDC is doing scheduling for the same. In case scheduling is being done by RLDC, ISTS losses shall be applicable for those schedules.

5) APL's View:

- i) While the transmission charges are proposed to be levied on actual power injection, there is no rationale for considering the losses based on the Control Agency rather than the system involved.
- ii) In the following cases Hon'ble Commission has stated that losses would be based on contract path:
 - Petition No. 220/2009 (WRLDC Vs SLDC, Gujarat)
 - Petition No. 95/MP/2013 (JPVL vs MPPTCL)
 - Petition No. 189/MP/2012 (LANCO Anpara vs UPPTCL)

7) APL's suggestion:

- i) Transmission Losses shall correspond to the system on which open access is granted.
- ii) Should be in line with the decisions of Hon'ble Commission on the subject issue
- iii) Existing methodology of allocation of losses shall continue

8) Petition No. 189/MP/2012 (LANCO Anpara vs UPPTCL) – Judgement

*“23. The petitioner in its submission dated 22.3.2013 has stated that if the contentions of respondent are taken correct then in that event all the Central Generating Stations connected to ISTS will have to pay STU charges as the power from the above generating station can flow into intra-state system more than what has been allocated to the state. It is noted that transmission charges and losses are applicable on schedule of energy and not on actual energy flow. In POC mechanism as well, for computing the rates only actual flows are considered. Once rates are determined, they are applied on scheduled energy. The actual energy flows are different from scheduled flow and sometimes power from State generating stations flows on ISTS and sometimes ISGS power flows on state transmission network. However, such phenomenon cannot be the basis for claim of the STU charges. Also, **for same energy, two charges cannot be applied, when the entity is connected to both STU/ CTU***

network. The transmission charges and losses are applied on the basis of Scheduled power not on actual flow of power which depends on system condition. Therefore, the intra-State transmission charges or losses as per Central Electricity Regulatory Commission (Open Access in Interstate transmission) Regulation, 2008 are not applicable.

9) **Petition No. 220/2009 (WRLDC Vs SLDC, Gujarat) - Judgement**

*“26. The Petitioner has submitted that since the generating station is connected to the Northern Region and Western Region, SLDC may find it difficult to coordinate with the other regions in case of system contingency. It is obvious that any line which joins two Regions is an inter-Regional line and would be operated as such, under the combined jurisdiction of the RLDCs of the two Regions, irrespective of ownership. The generating station would have to be operated independent of the operation of the transmission line. Therefore, we see no difficulty in the generating station coming under the control area jurisdiction of the State. **As far as WRLDC’s contention of power becoming costlier due to of levy of STU charges transmission charges and transmission losses) in case it comes under the control area jurisdiction of the SLDC is concerned, the same would depend on the utilization of the transmission system of the STU, i.e. GETCO, and not on the control area jurisdiction of SLDC.**”*

3.11.2. **TPCIL Comments:**

As stated above, charges are based on the actual flow on the ISTS system.

- (1) However in the event it is found that ISTS network is handling additional injection over and above RLDC schedule from ISGS or IPP’s at that particular point, corresponding additional participation (Transmission Charges) should be levied on the Home state network/STU since mismatch is caused due to congestions in STU network.
- (2) This also identifies network requirement at interconnection points, which bring positive impact for transmission strengthening schemes by STU.

Illustration:

An IPP generating 1200MW, has long term PPA with State for 500MW but due to STU drawl capability at that node, the actual flow on the ISTS network found to be 900MW.

In this condition, applying above amendment, transmission charges have to be levied on 900MW.

However, the additional participation (900-700=200) on ISTS is due to STU network which is not attributable to an IPP. Therefore corresponding

participation (200MW) charges should be levied on the STU rather than on generator

3.12. Sub-clause (u) of clause (1) of Regulation 7

3.12.1. Himachal Small Hydro Power Association:

The ISTS Charges & Losses should be waived off for all renewable projects to make open access a viable option. These Charges & Losses should be waived off for projects commissioned in 11th & 12th Plan atleast till their loan repayment period i.e. up to 2025.

3.13. Sub-clause (v) of clause (1) of Regulation 7

3.13.1. Himachal Small Hydro Power Association

The ISTS Charges & Losses should be waived off for all renewable projects to make open access a viable option. These Charges & Losses should be waived off for projects commissioned in 11th & 12th Plan atleast till their loan repayment period i.e. up to 2025.

4. Amendment in Regulation 8

4.1. Clause (5) of Regulation 8

4.1.1. Adani Power Limited:

“Provided that in case commissioning of the generating station is delayed due to any reason not attributable to transmission licensee, generator shall be liable to pay injection and withdrawal charges from the date on which access granted by CTU and communicated to Implementing Agency became effective, at the average rates of injection and withdrawal for the plant capacity.”

APL’s Suggestion:

If delay in commissioning is due to force majeure, the generator shall be exempted from payment of transmission charges as the delay is due to events beyond control of the generator.

4.1.2. NTPC Ltd.

- (1)** As per the EA-2003, CEA is vested with responsibility of transmission planning – formulate short-term and perspective plans & co-ordinate activities of planning agencies.
- (2)** CTU is entrusted to discharge all functions of planning and co-ordination relating to ISTS with all stakeholders and ensure development of an efficient, co-ordinated and economical system of

ISTS lines for smooth flow of electricity from generating stations to load centres.

- (3)** Accordingly, regional transmission lines as well as ATS of ISGS is finalised considering various technical requirements, such as, load flow, voltage profile, stability & security of grid besides power requirement of the beneficiaries from the ISGS.
- (4)** ATS is finalized in the Regional Standing Committee for Transmission Planning and is executed after ratification by beneficiaries in RPCs.
- (5)** Thus, ATS is planned & developed with the involvement of the beneficiaries / buyers at all stages.
- (6)** Post 2010, ISTS is now planned & executed as per CERC Grant of Connectivity, LTA, MTOA Regulations, 2009,
- (7)** LTA applied by NTPC on behalf of beneficiaries
- (8)** After grant of LTA, LTA Agreement is signed by beneficiaries with transmission service provider.
- (9)** As per the above agreement, LTA charges to be borne by beneficiaries.
- (10)** Mismatch of generation and its ATS
 - i) Generating units added progressively & transmission required in advance for connectivity & start-up power; therefore exact matching not feasible.
 - ii) Indemnification Agreement (IA) is entered by NTPC & CTU which
- (11)** Indemnifies CTU for IDC in case of delay of generating unit.
- (12)** Ensures close monitoring & co-ordination for matching of schedules
 - i) As Transmission company is benefitted in ensuring funds through IA, any delay in generation should be dealt in accordance with the IA & liability of generator to be as per the IA signed.
- (13)** Even in case of delay of ISGS, transmission system is often put to use and made part of the network and the benefits are availed by the beneficiaries.
- (14)** Only in case of some generating stations where the beneficiaries are not identified there may be cases of stranded transmission assets.
- (15)** Therefore, exempting upcoming ISGS would also be consistent with the Tariff Regulations 2014 which acknowledges the agreements entered between ISGS and CTU for development of ATS.
- (16)** In light of the above the first proviso to Regulation 8(5) may be modified as under:

“Provided that in case commissioning of the generating station is delayed due to any reason not attributable to transmission licensee, generator shall be liable to pay IDC for the stranded capacity out of its associated system as per the Agreements.”

“In case of Approved Withdrawal or Approved Injection not materializing either partly or fully for any reason whatsoever, the Designated ISTS Customer shall be obliged to pay the transmission charges allocated.”

- (17) Approved Injection is defined as the maximum injection. Generators would not be injecting up to approved injection on a continuous basis.
- (18) As URS of stations is increasing and Peak injection for the year may vary based on commercial decisions of beneficiaries.
- (19) Entire transmission charges shall anyway be recovered based on actual injection based on merit order.
 - (20) In view of above,
 - i) Estimated peak injection may be used for load flow to estimate nodal charges, but billing of transmission charges may be done Actual basis.
 - ii) The provision quoted above may be deleted

4.1.3. TPCIL Comments:

- 1) Request Hon'ble Commission to appreciate the practical difficulties which may lead to delay of ~6 months in commissioning the project. In this regard requested commission, to give grace period from 3 to 6 months from the COD of transmission system to till commission of the generating unit.
- 2) We understand that NTPC and PGCIL have these kinds of arrangements for taking care the delays for a period of 6 months from Schedule COD to Actual COD of the Generating station by paying only IDC of the transmission system.

Request Hon'ble Commission to consider some sought of remedy for all the DICs without any bias during this transition period (suggestions as below):

- i) If generator commission schedule is delayed upto 3 months from the date of commission of transmission system, no transmission charges to be levied on the Generator.
- ii) If generator commission schedule is delayed more than 3 months but commissions within 6 months, from 4th month onward till commission of the generator, the IDC alone to be levied on the generator as non POC charges instead of avg. POC rates. Beyond above said delay, request to levy only injection transmission charges instead of total PoC (Inj+ Demand POC).
- iii) Further, above said remedy shall also be applied as per the unit wise commission schedule (generally a period of 3-5 months between COD of 2 units) instead of the total LTA quantum.

4.1.4. Torrent Power Ltd.:

Draft Regulation: 1st Proviso

Provided that in case commissioning of the generating station is delayed due to any reason not attributable to transmission licensee, generator shall be liable to pay injection and withdrawal charges from the date on which access granted by CTU and communicated to Implementing Agency, became effective, at the average rates of injection and withdrawal for the plant capacity.

Comments/Suggestions:

- i) Open access will be provided based on the available transmission capacity only i.e. the access would become effective only after the implementation of associated transmission system. Hence, transmission charges should be payable only for the quantum of effective open access, rather than the installed capacity as proposed in the 2nd para of the proposed amendment to Regulation 8(5).
- ii) We also request the Hon'ble Commission to clarify that the transmission charges should not be levied unless the identified/ associated transmission system is ready.

Draft: 2nd Proviso

Provided further that during the period when a generating station draws startup power or injects infirm power, withdrawal or injection charges corresponding to actual injection or withdrawal shall be payable by the generating station and amount received through this shall be adjusted in next quarter against the ISTS transmission charges, to be recovered through PoC mechanism, from all DICs.

Comments/Suggestions:

- i) We would like to submit that adequate provisions for the settlement of drawl & injection of power during commissioning have already been provided in the Deviation Settlement Mechanism Regulations, 2011. Therefore, the proposed amendment for payment of transmission charges for drawl of start up and injection of infirm power seems to be redundant.
- ii) Hence, we would like to submit that above para of the proposed amendment to Regulation 8(5) is not needed and same be removed

4.1.5. TPCIL Comments:

During this period, Generator is expected to inject (infirm power) without any LTA/MTOA/STOA contracts. However the amendment proposes such intermittent transactions without any open access are also to be billed as per PoC mechanism.

Also, the transmission charges recovery will anyways happen post COD under POC regime, including the charges for the interim period of ~ 6

months (during commissioning stage) will unnecessary burden the generator

4.2. Clause 6 of Regulation 8 of the Principal Regulations

4.2.1. GRIDCO Ltd.:

1) High PoC Charges in Exporting Region

- a) As established in Cl. 9 of SoR, Odisha gets 82.97% of Power from TSTPS-I
- b) Odisha meets its Central Sector Maxm. Drawl (700-800MW) from the above ISGS
- c) As Load Centre of Odisha is very nearer to above ISGS, usage of ISTS Network is minimal
- d) In Cl. No. 9 of SoR, it has been recommended that Injection charges be allocated to withdrawl DICs as per participation factors (Actual Usage)
- e) The above recommendation not incorporated in 3rd Amendment.
- f) Hon'ble Commission to kindly incorporate the above in 3rd Amendment.
- g) Effective date of implementation should be 01-07-2011

2) Power Flow through HVDC Line to SR

- a) No Allocation to SR from TSTPS-I
- b) From TSTPS-II, capacity allocation to SR 1800MW and Odisha 200MW
- c) 400MW Power is forced to flow to SR from TSTPS-1 through HVDC line
- d) Controlled/forced Power results in Power flow to SR(Coverage of large distance)
- e) The above forced power flow to SR results in high injection charges to TSTPS-I
- f) Hon'ble Commission to direct to limit the power flow through Talcher-Kolar HVDC to scheduled quantum from TSTPS-II
- g) Similar is the case for power flow to SR through HVDC Gazuaka
- h) Corrective measures should be taken in PoC determination so that flow through Gazuwaka should not burden the withdrawl PoC of Odisha.

3) Impact of Dilution in PoC Concept on Odisha

- a) Odisha avails maximum 700-800MW against Central Allocation of 1165MW (Wrong mention of drawl as 1955MW at ANNEX-I of SoR)
- b) Odisha meets above demand (700-800MW) from TSTPS-I (As per Example at Cl. No. of SoR)
- c) Load Centres are very nearer to TSTPS-I

- d) Actual usage of ISTS Network by Odisha minimal
- e) Injection charges for TSTPS-I increased due to flow in SR (HVDC line)
- f) Dilution in original PoC concept not conforming to sub sec. 2 of sec. 36 and sec. 61 of EA-2003

4) FERC DECISION AS GUIDELINE

- a) FERC decision, reflected at Cl. No. 4.4 of SoR to 3rd Draft Amendment.
- b) Sole objective of FERC decision to ensure cost of Tr. Charges, commensurate the estimated benefits.
- c) New Tr. Systems set up in Odisha for transmission of power to other states.
- d) There may be power flow through such Tr. Lines, attributed to Odisha, as may be arrived through load flow study
- e) As Odisha is not benefited by this power flow, no Tr. Charge should be imposed on Odisha for such load flows

5. Amendment in Regulation 11

5.1. Clause (4) of Regulation 11

5.1.1. NTPC Ltd.:

- 1) Regulation 11(4) of Principal Regulations provides computation of transmission charges as under:

For Generators:

[PoC Transmission Charge of generation zone in Rs /MW/month for peak hours] × [Approved Injection for peak hours] + [PoC Transmission Charge of generation zone in Rs /MW/month for other than peak hours] × [Approved Injection for other than peak hours]

- 2) The above formula may be modified based on actual injection as under
—

POC transmission charge for generation zone in Rs./MW /month × Actual Injection

5.2. Clause (5) of Regulation 11

5.2.1. Torrent Power Ltd.:

- (1) It is possible that the beneficiary may need to draw power from other sources than the identified generator due to various reasons. In such situation, the beneficiary would be drawing power from other sources under MTOA/STOA using the same drawl network. However, the proposed amendment is not clear whether such beneficiary/DIC would get offset for the MTOA/STOA.
- (2) Hon'ble CERC may like to provide better clarity on such situations as PoC charges are now proposed to be payable based on peak injection or drawl for the applicable period (i.e. inclusive of drawl under LTOA, MTOA, STOA & Deviation (if any)). The same would ensure avoiding burden of double recovery of transmission charges from DIC.
- (3) In view of above, we would like to submit that the proposed amendment in clause (5) of Regulation 11 of the Principal Regulations may be modified as given below:

*Provided further that the Injection POC charges and Demand POC charges for Medium-term Open Access to any region shall be adjusted against Injection POC charges and Demand POC charges **payable by DICs** for the Long-term Access **to the target region without identified beneficiaries.***

*Provided also that a **DIC generator** who has been granted Long-term Access **to a target region without identified beneficiaries**, shall be required to pay **applicable** POC injection charge plus the average of the POC demand charge **among all the DICs in the target region** for the remaining quantum after offsetting the quantum of Medium-term Open Access subject to the last proviso of clause (4) of this regulation.”*

5.3. Clause (9) of Regulation 11

5.3.1. Adani Power Limited:

“-----Short term open access to any region shall be adjusted against the injection PoC charges and demand PoC charges for long term access based on Peak injection.”

1) APL's View:

- i) Adjustment of STOA charges for drawl in any region was principally agreed in CAC meeting held on 20th March, 2013.
- ii) As the decision has been taken long back and the existing regulation is resulting in double charging, aforesaid draft amendment may be implemented immediately
- iii) This will avoid unnecessary cost to generator but also to benefit the consumer.

2) APL's suggestion:

Proposed amendment may be implemented with immediate effect.

“Set-off of STOA charges shall not be allowed for collective transactions and bilateral transactions carried out by the trading licensees who have a portfolio of generators in a State for which LTA was obtained to a target region.”

3) APL's View:

- i) Majority of power procurement by Discoms are taking place through collective transactions and not through bilateral contracts.
- ii) Therefore collective transaction also need to be considered for adjustment of charges
- iii) In collective transactions, the injection point is known, only the beneficiary who is drawing is not known.

APL's suggestion:

- Adjustment facility to be extended for collective transaction also
- In respect of collective transactions, adjustment may be allowed as follows:
 - i) Injection PoC charges: Applicable PoC charges of the DIC
 - ii) Withdrawal PoC charges: Average of the all India withdrawal PoC charges

APL's Request:

- i) If the DIC has transacted the power under STOA in any month, the DIC will pay the applicable STOA charges within two days from the date of application.
- ii) Whereas, the DIC will receive the bill for LTA charges for any month in the first week of next month after issuance of RTA.
- iii) As per present practice CTU has been allowing 2% rebate on the gross LTA bill amount only if the net amount (Gross amount – Setoff) is paid within five days by the DICs.
- iv) CTU is not allowing 2% rebate on the setoff amount, if the payment of the net billed amount is made after 5 days.

Suitable Amendment to Regulation:

- i) To allow rebate on Set off amount irrespective of payment of net LTA bill amount, since the set-off amount has been paid by DIC in the previous month.

5.3.2. TPCIL Comments:

- 1) Request to adjust all the transactions (including exchange transactions), which were approved by the RLDC for accessing the corridor to be adjusted against the peak injection.
- 2) This will ensure, double charges are not levied for collective (exchange) transactions.

Illustrative:

Say a generator peak injection is 1200MW out of which 200MW they are selling in exchange by self or through some trader. In such conditions as per peak injection, transmission charges to be paid for 1200MW.

If adjustment are not considered, the generator ends up paying transmission charges for 1400MW (1200 + 200 MW), thus resulting in double payment for 200MW scheduled through the exchange as a collective transaction.

- 5.3.3. TPCIL Comments:** We request Honorable commission that above regulation second para may be substituted as below to ensure alignment with concept of Peak injection:

*Provided further that a generator who has been granted Long-term Access to a target region without identified beneficiaries, shall be required to pay POC injection charges plus the Average of the POC demand charges among all the DICs for the remaining quantum of long term access **based on the peak injection** after offsetting the quantum of Medium-term Open Access and Short-term Open Access **against Peak injection.***

5.3.4. Torrent Power Ltd

- (1) It is possible that the beneficiary may need to draw power from other sources than the identified generator due to various reasons (also mentioned in the Explanatory Memorandum of the proposed amendment). In such situation, the beneficiary would be drawing power from other sources under MTOA/STOA using the same drawl network. However, the proposed amendment is not clear whether such beneficiary/DIC would get offset for the MTOA/STOA.
- (2) We sincerely request that the Hon'ble CERC may like to provide better clarity on such situation as PoC charges are now proposed to be payable based on peak injection or drawl for the applicable period (i.e. inclusive of drawl under LTOA, MTOA, STOA & Deviation (if any)). The same would ensure avoiding burden of double recovery transmission charges from DIC.
- (3) Also, such off-set to be provided against LTA charges irrespective of whether the MTOA/STOA is applied by the generator or beneficiary for a particular generating station
- (4) In view of above, we would like to submit that the proposed amendment in Clause (9) of Regulation 11 of the Principal Regulations may be modified as given below:

Provided that the DICs which were granted LTA without identified beneficiaries and are paying both injection and withdrawal charges for long term access, the liability of the DICs for injection POC charges and Demand POC charges for Short-term Open Access to any region shall be adjusted against the injection POC charges and Demand POC charges for long term access based on Peak Injection/Withdrawal:

*Provided further that a **DIC generator** who has been granted Long-term Access **to a target region without identified beneficiaries**, shall be required to pay applicable POC injection charges plus the Average of the POC demand charges **among all the DICs** for the remaining quantum of long term access after offsetting the quantum of Medium-term Open Access and Short-term Open Access:*

In addition to the above, we also like to submit that short term charges of collective transaction may also be adjusted against Injection/Drawl PoC charges (as applicable).

6. Amendment to Regulation 17 of the Principal Regulation

6.1. Regulation 17:

6.1.1. GRIDCO Ltd.: In addition to the stipulated availability of Data in the websites such as Basic Network, Nodal Generation/Demand and Load Flow results, following data should also be made available:-

- 1) Marginal Participation Details
- 2) Avg. Participation Details for withdrawal and injection nodes
- 3) Zone-wise injection and withdrawal PoC
- 4) Computation of Schedule Charges payable by the DICs
- 5) % of Scaling
- 6) % Participation
- 7) Any other Data, as necessary

Accordingly, Sub-Cl. (i) of Cl. No. 3 (Amendment in Regulation 7) of Draft 3rd Amendment be modified

6.1.2. POWERGRID: The computation tool (Webnet) results needs to be more transparent with query based approach like

- which DIC is receiving power from which generators and what quantum
- Similarly given generator is serving which DICs and for what quantum, Which DIC is using which lines and in what percentage

7. Amendment to Annexure of the Principal Regulation

7.1. TRUNCATION / NON-TRUNCATION

7.1.1. POSOCO:

1) Issue:

- Controlled power flow through HVDC for overall optimization
- Substantial impact of set point of HVDC considered in base case on nodal charges

2) View: Existing provision may be retained

3) Support:

- Upcoming HVDC systems in the country
- Every entity will derive benefit out of HVDC systems

8. Additional Comments:

8.1. Himachal Small Hydro Power Association:

The Preferential Tariff should be calculated on the basis of Present realistic project cost which is not less than Rs.10 Crore / MW.

To make the REC Mechanism equitable, a National Average Power Procurement Cost needs to be calculated and the projects in all those states which have APPC lower than the National Average must be compensated by giving Multiplier of more than 1 for 1 MWH so that they are at level playing field vis-à-vis those states having APPC higher than the National Average.

The definition of APPC needs to be amended to include Average Procurement Cost of Power for the Conventional Projects commissioned in last 10 years.

8.2. GRIDCO Ltd.

Sub-Clause (o) of Clause No. 3(7) be modified confirming the mid-date (Normally be omitted) with specific peak hours for each application period

Sub-Clause (o) of Clause No. 3(7) be modified taking into account the revision necessary in case of any mistake, inadvertent error etc. in addition to revision of YTC

Sub-Clause (6) of Clause No. 7 be modified as:-

“Approved injection/ Approved withdrawal (MW) shall be based on Peak Scenario as per Sub-Clause No. 7(o) of Cl.No. 3 of Third Amendment”

GRIDCO proposes that, if there is variation of 5% in TC or more between two consecutive quarters with more or less same prevailing conditions, IA to justify such variation, failing which the differential amount not to be claimed on concerned DIC(s). The above provision be incorporated in the amendment

9. POWERGRID:

Payment Security Mechanism:

Payment security mechanism has been a serious concern since some time in the past. We propose the provision be made in amendment to Sharing Regulations on the lines of the CERC open access Regulation 2008 ,

On the request from CTU, National Load Despatch Centre or the Regional Load Despatch Centre, as the case may be, shall not grant short-term open access to the entities and associates of such entities who have defaulted in payment of transmission charges