

CENTRAL ELECTRICITY REGULATORY COMMISSION

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Minutes of the Commission meeting held on 19.05.2017

1.0 The following were present:

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| 1. | Shri Gireesh B. Pradhan, Chairperson | In Chair |
| 2. | Shri A.K. Singhal, Member | |
| 3. | Shri A.S. Bakshi, Member | |
| 4. | Dr. M.K. Iyer, Member | |
| 5. | Shri Sanoj Kumar Jha, Secretary | |
| 6. | Shri M.K. Anand, Chief (Fin.) | |
| 7. | Shri Trilochan Rout, Chief (Law) | |
| 8. | Shri S.C. Shrivastava, Chief (Engg.) | |
| 9. | Dr. Sushanta K. Chatterjee, Jt. Chief (RA) | |

2.0 **Agenda Item: Review of the framework of Point of Connection (PoC) charges**

Decision:

The Commission reviewed the framework of Point of Connection (PoC) Charges and noted that the regulations in the context were issued in 2010 and have been modified from time to time keeping in view the demands of time and concerns of various stakeholders.

The PoC mechanism was introduced in pursuance of the mandate under the National Electricity Policy (NEP), for a National Transmission Tariff framework, to be sensitive to distance, direction and quantum of flow. Over the period, several developments have taken place in the power sector. The power market is evolving, the contracting pattern is witnessing change in the light of the emerging market realities. Renewable is coming in a big way. This together with distributed energy resources (DER) and energy efficiency is likely to result in lower PLF for thermal generating stations. Capacity utilization of transmission asset is also likely to be affected.

The Commission at present is working on the next level of reforms in transmission segment and is in the process of giving final shape to the concept of General Network Access (GNA). This is expected to bring about paradigm shift in the transmission access and related charges.

In this context, therefore, the Commission felt the need for a review of the framework of Point of Connection (PoC) charges so as to align transmission pricing with the future growth strategy of the sector. Accordingly, the Commission decided to constitute a Task Force under the chairmanship of a Member of CERC and consisting of representatives from CERC, CEA, POSOCO, CTU and other concerned with the mandate to suggest broad contours of sharing of transmission charges conducive to the emerging market dynamics in the power sector. The Task Force would *review inter-alia, the existing framework of sharing of transmission charges in the light of the present and emerging power market design, leverage on international practices and the major issues raised by the stakeholders since the introduction of PoC mechanism in 2010 and carry out necessary studies, and recommend a framework for sharing of transmission charges seeking to address the dynamics of future market in the electricity sector in India.*

3.0 The meeting ended with vote of thanks to the Chair.
