

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION, NEW
DELHI**

IN THE MATTER OF:

NTPC Vidyut Vapar Nigam Ltd.

..... Applicant

**Comments on Draft Central Electricity Regulatory Commission (Cross
Border Trade of Electricity) Regulations, 2017 vide Public Notice
No. : No13/2/7/2015-PM/CERC Dated: 16th February, 2017**

It is humbly submitted that:

a. Proposed Regulation:

Chapter 2 General Provision, Clause 3. Scope.

Comments/Suggestions:

NVVN is supplying electricity to Nepal and Bangladesh under Government to government arrangement. Whether approval of DA is required for the extension of the existing agreement?

For example: NVVN is supplying electricity to Bangladesh from Tripura, if the agreement is extended in near future then the approval from DA is required or not.

b. Proposed Regulation:

4-2 a Tariff Determination: Tariff for import of electricity by Indian entities (directly or through trading licensees) from the generating stations located outside India shall be determined under long term/ medium term/ short term agreement, through a process of competitive bidding, which shall be adopted by the Appropriate Commission under Section 63 of the Electricity Act, 2003.

Provided that in case of hydro generation projects, the tariff shall be determined by the Central Commission as per the Tariff Regulations notified from time to time, if approached by the generator through the Government of the neighbouring country and agreed by the Indian entities, including Public Utilities/ Discom(s).

Comments/Suggestions:

Projects which are approved by neighbouring countries for export of electricity may not require to approach through Govt of neighbouring country for tariff petition (CERC). Since Generator is already having relevant sanctions with the Govt of neighbouring country.

c. Proposed Regulation:

6 (2-b) Institutional Framework

(b) Settlement Nodal Agency (SNA) shall be responsible for settling all charges pertaining to grid operations including operating charges, charges for deviation and other charges related to transactions with a particular neighboring country in the course of cross border trade of electricity. The SNA shall be a member of the deviation pool, reactive energy pool and other regulatory pools for payment and settlement of the corresponding charges in the pool accounts of the region having connectivity with any neighboring country. The neighboring country may also nominate/authorize an agency for such purpose. Ministry of Power, Government of India shall notify SNAs for each neighboring country.

Comments/Suggestions:

The nomenclature of SNA may be changed to Nodal Agency as the scope of SNA is wider than the settlement of charges pertaining to grid operation only.

NVVN is nodal agency for cross border trade of electricity with Bangladesh, Bhutan and Nepal. NVVN, performs all transaction, consent on behalf of buyer country for any application processing, scheduling, revision etc for Cross Border trade of electricity with Nepal and Bangladesh, beside settlement of charges.

d. Proposed Regulation:

Clause 7 sub clause 4 Eligibility criteria for participating Applicant:

(4) Any coal based thermal power projects in India other than those owned and operated by Public Sector Undertakings shall be eligible for export of electricity to any of the neighboring countries only if surplus capacity is certified by the Designated Authority.

Comments/Suggestions:

To make Regulation more transparent surplus capacity of electricity may be defined/ elaborated. Whether Merchant plant can have surplus capacity without having coal linkage/ coal allocation?

e. Proposed Regulation:

Clause 12: Time frame for processing:

(1) CTU shall process the Long-term access applications made under these Regulations requiring augmentation of transmission system in the Indian Grid in not later than ninety (90) days. Long-term access applications where augmentation of transmission system is not required shall be processed in not later than sixty (60) days.

(2) CTU shall process the medium-term open access applications made under these Regulations in not later than thirty (30) days.

Comments/Suggestions:

Priority has been given to CBTA applicant as application from CBTA applicant will be processed earlier than the intra country application.

Time frame of processing the application should be same as that of LTA for intra country i.e. 120 days and 180 days (augmentation required) instead of 60 days and 90 days (augmentation required) for CBTA.

f. Proposed Regulation:

Clause 15: Implementation of Cross Border Transmission Link:

Comments/Suggestions:

Testing / commissioning of cross border transmission link require power flow (import/ export) for commissioning of transmission link. The procurement of power for commissioning, grant of open access and settlement procedure may be incorporated in the regulation.

g. Proposed Regulation:

Clause 17 (1): Access Bank Guarantee:

(1)The CBTA applicant applying for long term access shall be required to furnish to the CTU, an Access Bank Guarantee, along with application, for an amount of INR 1 Crore/ per Mega Watt corresponding to the quantum of long-term CBTA sought

Comments/Suggestions:

Amount of ₹1 Cr is very high for CBTA applicant. CERC may review the amount.

h. Proposed Regulation:

Clause 28 (6) & 28(7) Energy Accounting:

6) Weekly meter readings for actual ex-bus generation for generators located in neighbouring country shall be provided by the selling entity to Settlement Nodal Agency which in turn shall provide the same to System Operator of India by Tuesday noon for the previous week so as to facilitate energy accounting.

(7) Weekly meter readings shall be provided by the buying entity to Settlement Nodal Agency which shall provide the same to the System Operator of India by Tuesday noon for the previous week so as to facilitate energy accounting.

Comments/Suggestions:

Weekly meter readings shall be provided by the buying/ selling entity to the System Operator of India by Tuesday noon for the previous week so as to facilitate energy accounting with information to nodal agency.

The process which is in place may be followed for Cross border supply of electricity.

i. Proposed Regulation:

Clause 31 (2) Commercial settlement, co-ordination, agreements/PPA, metering issues, trading margin and other issues pertaining to Settlement Nodal Agency.

2) The Settlement Nodal Agency may sign Agreements with Parties to the cross border electricity trades for the required activities to be performed by the Settlement Nodal Agency.

Comments/Suggestions:

SNA agreement may be carried out along with the CBTA agreement.

j. Proposed Regulation:

CHAPTER-5 Clause 37 (3) PAYMENT OF CHARGES AND PAYMENT SECURITY MECHANISM

(3) Settlement Nodal Agency shall ensure the payment of applicable charges for communication system of CTU.

Comments/Suggestions:

Charges for communication system of CTU is included in transmission charges and is billed by CTU directly to the buying entities.

SNA shall be responsible for settling all charges pertaining to grid operations including operating charges, charges for deviation and other charges related to transactions with a particular neighboring country in the course of cross border trade of electricity.

k. Proposed Regulation:

Clause 37 (4)

A suitable payment security mechanism for charges to be collected by Settlement Nodal Agency shall be put in place by the settlement nodal agency.

Comments/Suggestions:

Is Clause 37(4) referring to clause 40 (2b) or service charge of SNA as it is not included in 40(2b).

l. Proposed Regulation:

Clause 43 (1) Data Updating and Sharing.

(1) The entities of neighboring country shall be required to share and update technical data and information to the CEA as per the format to be specified by Designated Authority. A copy of the PPA shall be submitted to the DA within 30 days of signing of the PPA.

Comments/Suggestions:

(1) The entities of neighboring country shall be required to share and update technical data and information to the CEA as per the format to be specified by Designated Authority. A copy of the PPA shall be submitted to the DA/ SNA within 30 days of signing of the PPA.

Others Comments/Suggestions:

- 1) Treatment of trade of electricity between neighbouring countries using transmission system of India may be clarified.

New Delhi
Dated- 16.03.2017



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