

Comments on the Draft CERC (Transmission Planning and other related matters) Regulations, 2017

Subject: Draft CERC (Transmission Planning and other related matters) Regulations, 2017

Dear Sir,

CERC has placed on its website the subject cited draft regulations inviting comments by 25.5.2017. I am giving my views for consideration.

General Observation:

- (I) Section 38 (2) of the Electricity 2003 Act mandates CTU to be responsible for entire inter-State transmission system. However, in practice, CTU has not been developing the complete system particularly leaving out last mile connectivity to be done by State transmission utilities under the intra-State system as per section 39(2) of the Act. However, the proposed draft regulation suggests the transmission system within the State for onwards conveyance of inter-State transmission to be treated as “associated intra-State transmission system”., which is contrary to the Act.
- (II) Electricity Act mandates CTU to discharge all functions of planning and co-ordination relating to inter-State transmission system. However, the proposed draft regulation has such provisions which dilute responsibilities of CTU by diverting its responsibilities to CEA, RLDCs and STUs, which are contrary to the Act.
- (III) Function and duties of CEA are already well defined in Section 73 of the Electricity Act 2003. The proposed draft regulations include provision delineating CEA’s responsibilities. The question is whether CERC has jurisdiction to redefine the roles and responsibilities of CEA contrary to what is defined in the Act.
- (IV) The Act assigns planning of inter-State transmission system to CTU and that of intra-State system to STUs. This results in mismatches and deficiencies in transmission system. This needs to be corrected ensuring that CTU takes the responsibility of planning and development of entire inter-State transmission system as mandated by the Act.

- (V) Role of CEA, as per Act as well as per practice, is of advisory and coordinative nature. In the interest of national economy, CEA has also been providing need based assistance to CTU and STUs in system studies and transmission planning. If, through a CERC regulations, responsibility for planning of inter-State system is shifted from CTU to CEA/RPCs, is contrary to what the Act has specified . This would totally derail the process of development of transmission system.
- (VI) The process of coordination of planning activities by CEA implemented through Standing Committee for Transmission Planning works as an audit of systems planned by CTU and STUs. Methodology suggested in the draft regulations will result in doing away with this check and balance process.

Specific Comments:

- (1). In para 2.1 and Para 4.1, the proposed regulations are stipulated to apply on “*ISTS and associated intra-State Systems*”. Further under Para 5.2 issue of “*planning and development of ISTS and associated upstream and downstream intra-state system*” has been stated. In this above context reference may kindly be made to clause 2 (36) (ii) of Electricity Act 2003 which defines that inter-State transmission system also includes the conveyance of Electricity within the State which is incidental to inter State transmission of electricity. Further, as per clause 2 (37) of the Act, “intra-State Transmission system” means any system for transmission of electricity, other than an inter-State Transmission system.

In view of the above provisions in the Electricity Act, entire associated transmission system including any upstream and downstream system, incidental to inter-State transmission, is inter-State system. This clearly means that the full system from inter-State generation source up to the supply points connecting to distribution utility system, is inter-State transmission system. As such, the approach of taking out some upstream or downstream parts of the inter-State transmission system and terming it as “*associated intra-State transmission system*”, is contrary to the provisions under Electricity Act. Moreover, such an approach also goes against the interest of development of system as it leads to sub-optimality and mismatches.

- (2). Central Repository of Generator: Para 3.1, Para 6 (1), Para 7.2 (b) and Para 17 – Clause 38 (2) (b) of Electricity Act 2003 has assigned the CTU to discharge all functions of planning and co-ordination regarding inter-State transmission system. As such, it is the responsibility of CTU to obtain, compile and maintain all the necessary information and data for the purpose. Data proposed under Central Repository of Generators is also a part of this data and therefore the same should also be compiled and maintained by CTU. Responsibility of CTU in planning of inter-State transmission system as mandated in the Act, should not be diluted by stipulating maintaining of data by any other agency.
- (3). Central Study Committee (para 3.2 and para 15) and Regional Study Committee (para 3.4 and para 16) – As the responsibility of planning the inter-State transmission system lies with CTU, it is for the CTU to do its job. Constitution of the proposed study committees by CEA/RPCs and shifting CTU's responsibility on to CEA, RPCs and STUs is contrary to the provisions under the Electricity Act.
- (4) Para 20.2 – Suggestions on Technical issues to be considered by CEA in specifying Transmission Planning Criteria.
 - (i) Suggestions on Technical issues to be considered in specifying Transmission Planning Criteria should not be put in CERC regulation as CEA is a separate and independent statutory body and is assigned its functions to be discharged by the ACT and it is not for the Commission to specify how the Authority has to discharge its functions. It would be better that instead of including these suggestions in CERC regulations, the inputs are provided to CEA for due consideration. CERC may consider giving these input to Central Government under provision of 79 (2) of Electricity Act.
 - (ii) Mata Prasad Report has suggested a number of issues for technical consideration. In para 3.6.2 of explanatory memorandum, 18 such suggesting have been listed e.g. (i) to (xviii). While a few have been mentioned in the proposed draft regulations, some of the important

ones such as those in (vi), (xi), (xiv), (xvi), (xvii) have been left out. It is suggested that instead of putting any such suggestion in CERC regulations, all the recommendations may be communicated to Central/State Governments, CEA, RPCs, POSOCO and CTU/STUs.

(7) Para 23, 25 and 26 – As per above comments.

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