

<p><b>एनएलसी इंडिया लिमिटेड</b> (पूर्व में नेयवेली लिग्नाइट कॉर्पोरेशन लिमिटेड) (भारत सरकार का 'नवरत्न' उद्यम) पंजीकृत कार्यालयप्रथम तल :, नं8., मेयर सत्यमूर्ति रोड, एफडी.एस., भारतीय खाद्य निगम, एगमोर कॉम्प्लेक्स, चेटपेट, चेन्नई - 600031</p>		<p><b>NLC India Limited</b> (Formerly Neyveli Lignite Corporation Ltd) Navratna – A Government of India's Enterprise Regd. Office: First Floor, No.8, Mayor Sathyamurthy Road, FSD, Egmore Complex of Food Corporation of India, Chetpet, Chennai – 600031</p>
<p>सी.आई.एन / CIN : L93090TN1956GOI003507 <b>वाणिज्यिक विभाग/COMMERCIAL DEPARTMENT</b> निगमितकार्यालय: ब्लॉक1-नेयवेली607801- कडलूरजिला, तमिलनाडू दूरभाष/Phone : 04142-253429 फैक्स /Fax : 04142-252646, 254429 वेबसाइट/Website : <a href="http://www.nlcindia.com">www.nlcindia.com</a>, ई-मेल/E-Mail: <a href="mailto:commercial@nlcindia.com">commercial@nlcindia.com</a> Corporate Office: Block-1, Neyveli –607 801 Cuddalore District, Tamil Nadu</p>		

Lr.No; NLCIL/Comml./GNA/ Comments / 2018.

Dt. 02.01.2018

To  
The Secretary,  
Central Electricity Regulatory Commission,  
3<sup>rd</sup>& 4<sup>th</sup> floor, Chanderlok Building,  
36, Janpath Marg,  
**NEW DELHI - 110 001.**

Sir,

**Sub** : NLCIL- Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017 – Submission of Comments - Reg.

**Ref** : 1. Public Notice No.L-1/229/2017-CERC Dt.14-11-2017.  
2. Public Notice No.L-1/229/2017-CERC Dt.14-12-2017

\* \* \* \* \*

Please find enclosed, an affidavit furnishing Comments of NLCIL for the draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017 as sought in the Public Notices cited under ref.

The above may please be taken on record .

Yours faithfully,  
For NLC India Ltd.

Encl: As above

Chief General Manager / Commercial

## INDEX

<b>S.NO</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
1.	FORM-1	3-8
2.	FORM-2	9-10
3.	CERC Public Notice	Enclosed

**BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**PN No:L1/229/2017-CERC**

**IN THE MATTER OF:**

Seeking Comments for the Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017.

**IN THE MATTER OF:**

Submitting Comments as sought in Hon'ble Commission's Public Notice No.L1/229/2017-CERC,dt.14.11.2017 & 14.12.2017

**AND IN THE MATTER OF:**

NLC India Limited  
First Floor, No.8, Mayor Sathyamurthy Road,  
FSD, Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600031,  
Tamil Nadu, India.

----- **RESPONDENT**

THE RESPONDENT HUMBLY STATES THAT:

**1.0 BACKGROUND:**

- 1.1 Hon'ble CERC published the Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017 on 14.11.2017 proposing to repeal the current CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter-state Transmission system and other related matters) Regulations 2009 (as amended from time to time).
- 1.2 Hon'ble CERC issued Public Notice No.L1/229/2017-CERC,dt.14.11.2017 seeking comments for the Draft Regulations from the stake holders by 14.12.2017. The time for submitting the comments was subsequently extended upto 14.01.2018 vide Public Notice dt.14.12.2017.

1.3 Accordingly, NLCIL is submitting the following comments for the Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017 for Hon'ble CERC's consideration.

**2.0 Comments:**

2.1 The Draft Regulation combines the erstwhile Long Term & Medium Term Open Access as a single one called as General Network Access. But, the periods for the Long Term contract & Medium Term Contract have been well defined under clause 2.1 sub sections (x) & (y). The draft GNA Regulations do not deal clearly that whether Medium Term access is permitted and can be availed.

2.2 The clause 22.7 sub clause(vi) of the CERC approved Procedure for making application for Grant of Long Term Access to ISTS under the existing CERC(Grant of connectivity, Long Term & Medium Term Open Access in Inter-state Transmission system and other related matters) Regulations 2009 permits the applicant to seek Medium Term Open Access or Short Term Open Access separately in the event of a situation in which LTA could not be availed for a particular quantum of power for want of buyers, till such time that buyers are identified. This option will be of very much helpful to the Generators for utilizing the entire capacity of the project even if LTA could not be tied up for full quantum. But, this particular option is not available in the draft GNA Regulations which may be considered for inclusion suitably.

2.3 As per clause 12 of the existing CERC(Grant of connectivity, Long Term & Medium Term Open Access in Inter-state Transmission system and other related matters) Regulations 2009 and clause 22.7 sub clause (i) of the CERC approved Procedure for making application for Grant of Long Term Access to ISTS, the applicant is permitted to indicate the target region of supply along with quantum even if the entities to whom electricity is proposed to be supplied is not firmed up at the time of application. This provision enabled the Generators to submit the LTOA application in time even if they were not able to firm up the entities at the time of application. Entities were identified & firmed up subsequently by the Generators. But, such a provision is not available in the draft GNA Regulations which may be considered for inclusion.

- 2.4 The time frame for processing the connectivity applications (Stage I & Stage II) for Renewable generating projects may be reduced from 120 days (60 + 60) to 90 days (45+45) and for GNA by atleast 30 days considering the low gestation period of the RE projects.
- 2.5 As per clause 24 b(ii)(vi) of the CERC approved Procedure for making application for Grant of Long Term Access to ISTS under the existing CERC(Grant of connectivity, Long Term & Medium Term Open Access in Inter-state Transmission system and other related matters) Regulations 2009, the Inter state Generating Stations owned by the Central Government or Ultra Mega Power Projects through the initiative of Central Government for which the allocation of power to various beneficiaries is notified by Central Government were exempted from the submission of BG of Rs.10000/MW for application & Rs. 5 lakhs/MW for construction of dedicated line/augmentation of transmission system if entities to whom electricity is proposed to be supplied are firmed up. But, in the Draft GNA Regulations the Access BG amount has been notified as Rs.20 lakhs/MW (Clause 16.1) for generating stations other than Renewable Energy Generation and Rs.5 Lakhs/MW(Clause 7.9 e) for bay implementation BG & Rs.10 Lakhs/MW (Clause 19.1) as Access BG for RE Generation. There is no mention about exemption as in the existing Regulations. Hon'ble Commission may consider extending of the existing exemption for submission of BG for Central Generating Stations.
- 2.6 Clause 16.1 of the Draft GNA Regulations states that the new generation project intending to avail the transmission services from ISTS shall apply for GNA five (5) years prior to the expected date of commissioning of the first unit of generation project. Similarly for RE generation, application for GNA is to be submitted two (2) years prior to the expected date of commissioning. The clause 12 (1) proviso (4) of the existing Regulations and the clause 22.7, Note below sub clause (vi) of Procedure for making application for Grant of Long Term Access to ISTS under the existing CERC(Grant of connectivity, Long Term & Medium Term Open Access in Inter-state Transmission system and other related matters) Regulations 2009 requires that the beneficiaries had to be firmed up atleast 3 years 9 months prior to the intended date of availing

long term open access. Firming up of the beneficiaries before submitting application for GNA is a must as per clause 11.8(d) of the Draft GNA Regulations. It is apprehended that firming up of beneficiaries & obtaining authorization from the beneficiaries for applying for GNA on behalf of them may be difficult to achieve 5 years before the date of commissioning of the unit. Similarly, finalizing the location, taking possession of land and firming up of beneficiaries may not be possible before 2 years in case of RE generation projects. Hence, it is requested that the existing 3 years 9 months may be retained for non RE generation projects and the 2 years proposed for RE generation projects may be revised as 1&1/2 year prior to the intended date of availing GNA.

- 2.7 As per Clause 27.3 of the Draft GNA Regulations, the Generator is liable to pay the transmission charges from the date of operationalisation of GNA in case the Generator is not ready by the scheduled date of GNA operationalisation. This clause ensures that the loss of transmission licensee is fully compensated.
- 2.8 But, as per Clause 27.8 of the Draft GNA Regulations, in the event of delay in commissioning of the concerned transmission system by its scheduled date and if CTU is not able to provide alternate transmission arrangement for dispatch of power, then, the transmission licensee shall pay the proportionate transmission charges to the generator. The payment of transmission charges alone will not be sufficient to compensate the losses of the generator since the generator is not allowed to generate power for want of necessary evacuation system. Hence, suitable compensation to the Generator for the loss of generation till the transmission system is made ready may be provided in the Regulation.
- 2.9 In the Model Connection Agreement (FORMAT-CON-9) annexed with the Draft GNA Regulations, the Force Majeure clause which is available in the existing Connection Agreement as clause 9 is found to be deleted. Force Majeure condition is essentially required for both the signatories of any agreement in the event of any untoward happenings. Hence, Hon'ble commission may consider the same for inclusion in Draft Regulations and in the GNA agreement.

- 2.10 In the Format for application of grant of GNA (FORMAT-GNA-1), under the Draft GNA Regulations, the question “**Date upto which GNA is required**” is not available whereas the same is available in the existing Format for application for grant of Long Term Access at Sl.No.5c.
- 2.11 Also, nowhere in the Draft GNA Regulations, the date upto which the GNA will be valid is mentioned. But, in the Format for Model GNA Agreement (FORMAT-GNA-7) under Para 10, it is stated that “ ***This agreemen shall be valid from the date of signing of this agreement till the validity of GNA subject to its revision as may be made by the parties to this Agreement provided that this Agreement may be mutually extended, renewed or replaced by another Agreement on such terms and for such further period as the parties may mutually agree. In case GNA Customers continue to get transmission services from the CTU even after expiry of this Agreement without further renewal or formal extension thereof, then all the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced.***” It is submitted that the period of validity of GNA may also be mentioned in the draft regulations.
- 2.12 Clause 17 of the existing Open Access Regulations and Clause 28 of the Procedure provides an opportunity for Renewal of the Term of Long-Term Access on expiry of the period. But, such a clause is not available in the Draft GNA Regulations which may be considered for inclusion.
- 2.13 **Construction of Dedicated Transmission Lines:**
- 2.14 The Draft GNA Regulations, under Clause 8, sub clauses 8.1 & 8.2 proposes that the dedicated transmission line from switchyard of Thermal/Hydro generating station or Renewable Energy generating station to the pooling station of the transmission licensee shall be developed and owned by the Applicant and shall be operated by the CTU. Maximum length of the dedicated transmission line shall not exceed 100 km from the switchyard of the Generating station/RE Station to the nearest pooling substation of the transmission licensee irrespective of the capacity of the power plant.
- 2.15 But, the above proposal of requirement for construction of dedicated transmission lines not exceeding 100 KM is included in the existing

Connectivity and Open Access Regulations, 2009 vide sixth amendment dt.17.02.2017 as applicable for Thermal Power Stations of 500 MW or less and for Hydro & RE Generating Stations of 250 MW or less.

- 2.16 The proposal of entrusting the construction of dedicated transmission of a length not exceeding 100 KM required for connectivity in the draft GNA Regulations may result in the delay of commissioning of the Generation project since the construction of transmission lines is a specialized area and the Generation project developers are not experienced in the construction of transmission lines of such long length upto 100 KM.
- 2.17 In view of the above, it is submitted to the Hon'ble CERC for review of the above proposal and to retain the clause of non requirement of Construction of Dedicated Transmission Lines for a Thermal Generating Station of 500 MW and above capacity and a Hydro & RE Generating Stations of 250 MW and above which will be considered under coordinated transmission planning by the CTU and CEA.

**3.0 Prayer:**

NLCIL humbly request the Hon'ble Commission to take on record the comments submitted vide this affidavit.

**RESPONDENT**  
**NLC India Limited.,**

**PLACE: NEYVELI**  
**DATE : 02.01.2018.**



**FORM 2**

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

**PN No:L1/229/2017-CERC**

**IN THE MATTER OF:**

Seeking Comments for the Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017.

**IN THE MATTER OF:**

Submitting Comments as sought in Hon'ble Commission's Public Notice No.L1/229/2017-CERC,dt.14.11.2017 & 14.12.2017.

**AND IN THE MATTER OF:**

NLC India Limited  
First Floor, No.8, Mayor Sathyamurthy Road,  
FSD, Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600031,  
Tamil Nadu, India.

----- **RESPONDENT**

Affidavit verifying the reply:

I, A.Ganesan son of Shri.,M.Alagarswamy, aged 57 years, residing at 14, Type IV Qrs.BLOCK-16, NEYVELI-607 801, do solemnly affirm and say as follows:

1. I am the Chief General Manager/Commercial of NLC India Limited, one of the Respondents in the above matter and am duly authorized to make this affidavit.
2. I say that NLCIL is filing this Affidavit containing the comments for the Draft CERC (Grant of Connectivity and General Network Access to Inter-state Transmission system and other related matters) Regulations 2017 as sought by Hon'ble Commission in the Public Notice No. L1/229/2017-CERC,dt.14.11.2017 & 14.12.2017.
3. I say that the statements made in FORM 1 enclosed, containing a total number of ...6.... pages of the comments herein now shown to me are based on the records of the respondent company maintained in the ordinary course of business and I believe them to be true.

Solemnly affirmed at NEYVELI on this day of **02.01.2018** that the contents of the above affidavit are true to my knowledge, no part of it is false and no material has been concealed there from.

**A.GANESAN**  
**Chief General Manager/ Commercial / NLCIL**

Identified before me by