

**PITCUL Comments on Draft Central Electricity Regulatory Commission (Grant of Connectivity and General Network Access to the inter-State transmission system and other related matters) Regulations,2017**

1. At point m & kk of definitions of Downstream network & Upstream network, the boundary point for bifurcation of downstream & upstream network may be defined for clarity.
2. At point “ aa” of definition of Principal Generator- It is mentioned that “existing generator” however, it should be clarified whether existing Generator can be a conventional Generator also or it has to be a renewable Generator only.
3. At clause 5.3 of Chapter 2, It is submitted that instead of STU seeking GNA to ISTS on behalf of all the state entities and distribution licensee, each intra state entity and distribution licensee should seek GNA itself to ISTS to CTU because it would not be feasible for STU to access all the information required for seeking GNA timely. However, there could be provision of intimation to STU and CTU can sought NoC/Clearance from STU for seeking GNA by intra state entity and distribution licensee.
4. At Clause 6- There should be an additional clause of validity (time period)for Connectivity and in case it is not utilize within the stipulated time it may deemed to be considered as cancelled and the applicant will have to seek afresh connectivity. Provision of extension of connectivity could be there, in case, applicant in not able to utilize Connectivity up to the stipulated time.
5. At clause 7.27- The Applicants who have been granted Connectivity shall submit details of progress made in execution of project to Central repository. In addition to above following should be added-  
The details of progress should be submitted quarterly.
6. At Chapter-4, Regulation 11, Application for GNA, it is submitted that , in addition to proposed clauses of making application for GNA within 2.5 years of intimation of grant of connectivity, following clause should be added:-

Where augmentation of Transmission system is required for grant of GNA, the application of GNA is required to be made by the applicant within 6 months of Intimation of grant of connectivity keeping in view the construction timeline for the augmentation of Transmission system being of the order of 3 years plus one year and also the date from which connectivity is required by the applicant in many cases is same or nearby the date of grant of GNA.

7. At regulation 11.7, i.e.

*The GNA Application shall be accompanied by Access Bank Guarantee of Rs. 20,00,000/- Rupees Twenty Lakh only) per MW for the quantum of GNA sought. The Access Bank Guarantee shall be in favour of "Central Transmission Utility", as per FORMAT-GNA-4.*

In relation to the above clause it is submitted that, in case, connectivity and GNA is to be granted to a deemed ISTS Licensee and the said licensee is required to construct the Transmission system for granting connectivity and GNA then the applicant should be required to submit the Access Bank Guarantee to the said Deemed ISTS Licensee.

8. At regulation 11.15, the timelines for grant of GNA has not been specified under regulation 7 but under regulation 12.2.

9. At regulation 12.7 - the clause should be modified(added as under lined) as

The Access Bank Guarantee may be encashed by the nodal agency or Deemed ISTS Licensee.....

10. At regulation 24- Relinquishment of GNA- It is submitted that in case of Deemed ISTS Licensee

Who has constructed Transmission System for GNA for Generators and Generator relinquish its GNA rights then the Access Bank Guarantee and one year Transmission Charges will not enough to recover its cost as there may not be another Generator to use that Transmission System. The above Transmission System will remain completely or partially unutilized.

In addition to it at Regulation-27.6 i.e.

*“In case any of the developer makes an exit or abandon its project and CTU is not in a position to replan the transmission system, CTU shall have the right to encash the Access Bank Guarantee.”*

It is submitted that encashment of Bank Guarantee will not be able to properly or fully compensate the Licensee against the investment made by it for augmentation of Transmission system. Therefore, some other mechanism/method like treatment of the unutilized transmission network as a part of meshed regional network should be there. This will facilitate the proper utilization of stranded Transmission network in future and also prevent the licensee from financial implications.

11. At regulation 27.7 i.e

*In the event of delay in commissioning of concerned transmission system from its scheduled date, CTU shall make alternate arrangement for dispatch of power at the cost of the transmission licensee. The interim arrangement so provided shall be removed with commissioning of actual planned system. And 27.8.*

*In case the alternative arrangement as provided in the Regulation 27.7 cannot be provided, the transmission licensee shall pay proportionate transmission charges to the generator.*

It is submitted that the above regulation 27.7 & 27.8, emphasize on delay in commissioning of Transmission System by a Transmission licensee and accordingly provision of providing alternate Transmission system at its own cost failing which licensee shall pay proportionate transmission charges. However, regulations are silent if the delay in commissioning of Transmission system is attributable to the CTU. The regulation should be lucid regarding the same.