



NATIONAL SOLAR ENERGY FEDERATION OF INDIA
Regd. No. 362 / IV of 8 May, 2013

Ref: - NSEFI/CERC/2019-20

Date: - 07.02.2020

To,
Secretary,
Central Electricity Regulatory commission
Chandralok Building, Janpath
New Delhi 110001

Subject: **ISTS Transmission Charges and Losses waiver given to wind/ solar projects till 31st December 2022: Request for similar dispensation to wind/solar hybrid project with or without storage as well as to other mode of RE transaction and also extension of same beyond 31st December 2022: Draft Sharing Regulation of CERC Reg**

Dear Sir,

India is leading the world's renewable energy sector and is on track to implement 175 GW of RE capacity by 2022, with already commissioned capacity of more than 85 GW of renewable energy projects and around 30 GW under different stages of bidding by SECI or NTPC. Further, Government of India has set an ambitious target of 450 GW of renewable capacity by FY 30 which shall require, resolution of so with/ without storage, structural challenges plugging the growth of renewable power market in the country and also changes in the regulations to incentivise the development of different mode of RE energy so that ambitious targets are fulfilled.

While developing such a large RE capacity addition in the country, there is need to address issues like variability and intermittency of standalone solar and wind generation projects. Similarly there is need to examine the need of State DISCOMs who intend to serve their peak demand and increasing base load along with meeting RPO targets. These conditions may not be served with wind and solar projects alone and there is need to develop the hybrid generation projects of wind/solar along with storage to meet the aspiration of DISCOMS to take firm RE power for their base round the clock power and peak power.

Since the large wind/solar energy capacity additions is envisaged in the country it will be main source of Energy resource in future, therefore, there is an urgent need to develop wind and solar hybrid project along with/without standalone energy storage by adopting different storage technologies.





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These energy storages will be mainly used to absorb RE power at the time when RE is in surplus and supply energy during peak time to different Distribution Licensees.

In line with the above, MNRE has already notified National Hybrid policy and also circulated draft bidding guidelines for bidding from Hybrid RE projects. Hon'ble Commission also in its seventh amendment of regulation on connectivity, LTA and MTOA has included Hybrid generation with storage as renewable generating station. In line with the above SECI also recently open bid for peak power from RE sources with storage for 1200 MW and also very shortly going to open bid for 400 MW Round the clock power (RTC Power) from RE sources with or without storage.

Further, Current bidding mechanism by SECI/NTPC focusing only on bid price necessitates leveraging only maximum resource areas which are small fraction of overall RE potential while medium RE potential areas (e.g. AP, Karnataka, MP, Maharashtra, Telangana) are neglected.

In order to meet such large RE target in the country, apart from Development of RE through competitive bidding process of SECI/ NTPC or other aggregator, there is need that State DISCOMS like that of AP , Karnataka and Tamil Nadu also comes forward to develop RE in their state by themselves and for this there is need to incentivise the states and evolve suitable mechanism to facilitate sale surplus RE power from these resource rich states to resource deficit states.

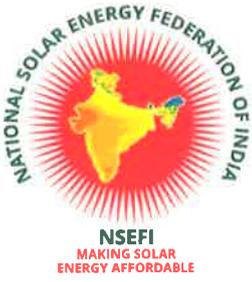
In addition to the above, there is large potential of wind/solar power development for captive generation and third-party open access may be developed in resource rich state and drawn in different states.

At present, the ISTS Transmission Charges and losses waiver in the regulation is limited to those solar and wind generating stations where generation capacity has been awarded through competitive bidding guidelines issued by GOI and also PPA is signed for compliance of RPO obligations. This ISTS waiver applicability for such specific conditions will limit the development of wind/solar projects.

In view of the above, it is proposed that the ISTS Transmission Charges and losses waiver should be extended to following:

- i. Wind and Solar hybrid project without energy storage;**
- ii. Wind and Solar hybrid project with energy storage;**
- iii. Standalone energy storage;**
- iv. Sale of Wind, Solar and hydro power by resources rich state to other states under all business models;**
- v. Captive Power generation and third-party sale of wind and solar power.**





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NSEFI believes that such dispensation will incentivize such type of RE configurations in the country and will help in meeting RE target on one hand and will address the grid security issues by developing Hybrid RE projects with/ without storage and standalone storage projects on other hand. **NSEFI also request that such dispensation should also be extended beyond 31st December 2022 (e.g. till FY 2024-25), as energy storage projects has a much longer gestation period compared to plain vanilla wind and solar but ultimately quite helpful for the country.**

In order to further deliberate in detail on the above, an industry delegation from NSEFI would like to seek your suitable time as per your convenience to make a presentation to the Commission and for taking your advice on the subject to proceed further on the subject.

Regards



Subrahmanyam Pulipaka
Chief Executive Officer