

PCKL/DDP1/ADP9/CERC/2019-20/21104-15

Date: 29 NOV 2019

The Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001.

Sir,

Sub: Submission of Comments/Views on the Notification of Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019.

PCKL, on behalf of the Distribution Companies of Karnataka, would like to furnish the views/comments on the proposed Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 as in the Annexure.

It is requested that, the views/comments furnished may be considered while finalising the Sharing Regulations, 2019.

Thanking you,

Yours faithfully,


Managing Director
PCKL, Bengaluru.

29/11/19

Copy to :

- 1) The Managing Director, BESCO/MESCO/CESC, Mysuru/ HESCO / GESCO.
- 2) The Director (Technical), BESCO/MESCO/CESC, Mysuru/ HESCO / GESCO.
- 3) PS to Chairman PCKL and Additional Chief Secretary to Government, Energy Department, GoK with a request to place it before the ACS, Energy Department, Government of Karnataka.
- 4) OC/MF.

Comments on Draft Notification of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019.

Existing in Draft Sharing Regulations, 2019	Proposed Modifications	Remarks/Reasons
<p>2. Definitions</p> <p>1) In these Regulations, unless the context otherwise requires,:</p> <p>b) 'Basic Network' means the power system of the country at voltage levels 132 kV and above including HVDC transmission network, to which the Generating Stations and loads are connected; and at voltage level of 110kV and above to which Generating Stations are connected;</p>	<p>b) 'Basic Network' means the power system of the country at voltage levels 110kV/66kV and above including HVDC transmission network, to which the Generating Stations and loads are connected; and at voltage level of 110kV/66kV and above to which Generating Stations are connected;</p>	<p>Network Voltage level from 110kV/66kV and above may be considered as 50% of Network in some of the State is covered with 110kV and other 50% is 66kV Voltage level (The network simulation would be more appropriate by considering 110kV/66kV voltage level), as a number of generating stations (Wind, Solar, Bio-mass and Hydro) are connected to 110 kV/66kV buses.</p>
<p>7. Components and sharing of Transformers Component (TC)</p> <p>1) Transformers Component shall comprise of transmission charges for inter-connecting transformers planned for drawal of power by the State. The list of such transformers for each State shall be provided by the Central Transmission Utility to the Implementing Agency.</p> <p>2) Transformers Component of transmission charges shall be borne by the State in which they are located.</p>	<p>7. Components and sharing of Transformers Component (TC)</p> <p>1) Transformers Component shall comprise of transmission charges for inter-connecting transformers planned for drawal of power by the State (having proper connectivity to the respective State network only). The list of such transformers for each State shall be provided by the Central Transmission Utility to the Implementing Agency.</p> <p>2) Transformers Component of transmission charges shall be borne by the State in which they are located</p>	<p>For example there is a 765/400 kV substation situated in Raichur in Karnataka connected with 765kV lines from Sholapur and Karnool and 400 kV lines connected at one end to RTPS thermal generating station (1720 MW) and the other end connected to Gooty in Andhra Pradesh. In this case the 765/400 kV substation in no way facilitates Karnataka to</p>

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	<p>Electrically (located Electrically ensures that, the downstream lines are catering to the respective State network and State load only).</p>	<p>draw ISTS power into its STU network. Further, in case of 400/220 kV ISTS substation one or two lines feeding to other States are to be apportioned properly to such State (Hence, the transformer component cannot be loaded only on to the State where the transformer is located).</p>
<p>9. Computation of share of transmission charges under AC-UBC</p> <p>1) The Base Case file shall be prepared by the Implementing Agency for the Peak Block of the month comprising of the following:</p> <p>a) Basic Network, which shall be the network file for the power system for the peak block of the month; and.</p> <p>b) Actual generation and demand, in MW, at each node of the Basic Network for the Peak Block.</p>	<p>9. Computation of share of transmission charges under AC-UBC</p> <p>1) The Base Case file shall be prepared by the Implementing Agency for the Peak Block of the month comprising of the following:</p> <p>a) Basic Network (including Natural ISTS lines – radially feeding other States and its flow), which shall be the network file for the power system for the peak block of the month; and</p> <p>b) Actual generation and demand, in MW, at each node of the Basic Network for the Peak Block (including Natural ISTS lines – radially feeding other States and its flow).</p>	<p>While considering the LGBR of the State, the flow on the natural ISTS lines (STU lines) connected between two States are to be considered to arrive at proper accounting of the drawal of any State from the ISTS network. Ex: 220kV and 110kV lines radially feeding to Kerala, 220kV line radially feeding to Goa, 220kV lines inter connected with Andhra Pradesh and Telangana where there is a sufficient power flow from Karnataka Network which is at present not accounted properly in the computation.</p>
<p>11. Transmission charges in specific cases</p> <p>1)</p> <p>a) -----</p> <p>b) -----</p> <p>i) -----</p>	<p>11. Transmission charges in specific cases</p> <p>1)</p> <p>a) -----</p> <p>b) -----</p> <p>i) -----</p>	

Existing in Draft Sharing Regulations, 2019	Proposed Modifications	Remarks/Reasons
<p>ii) ----- iii) -----</p> <p>c) No transmission charges and losses shall be payable for the generation projects based on solar or wind resources for the use of ISTS, for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:</p> <p>i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022; and</p> <p>7) In case the generating station or unit(s) thereof has achieved COD and transmission system is delayed, the concerned transmission licensee(s) shall make alternate arrangement for dispatch of power in consultation with Central Transmission Utility at the cost of the transmission licensee(s).</p> <p>Provided that till such alternative arrangement is made, the transmission licensee(s) shall pay to the generating station the transmission charges proportionate to Long Term Access for the transmission system which is delayed.</p>	<p>ii) ----- iii) -----</p> <p>c) No transmission charges and losses shall be payable for the generation projects based on solar or wind resources for the use of ISTS, for a period of 25 years from the date of commercial operation of such generation projects if they fulfil the following conditions:</p> <p>i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022 and 31.12.2022.</p> <p>Needs clarity.</p>	<p>The MoP in the Order dated 06.11.2019 has exempted Solar and Wind Generators from Inter-State transmission charges up to 31.12.2022.</p> <p>Clause 4 and 7 of Regulation 11 cannot be considered vice versa.</p> <p>In both the cases the DICs (DISCOMs) will not be availing the power from the generating station. Though it makes sense to make generator who has not achieved CoD to pay the transmission charges to the transmission licensee who has already completed his obligation. But, in case of clause 7 of Regulation 11</p>

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<p>12) An Intra-State Transmission System already certified by the respective Regional Power Committees being used for inter-State transmission of electricity and for which tariff has already been approved by the Commission, shall be covered under these Regulations:</p> <p>Provided that such intra-State Transmission System shall be included under these Regulations only for the tariff period for which tariff has already been approved by this Commission.</p>	<p>12) An Intra-State Transmission System already certified by the respective Regional Power Committees being used for inter-State transmission of electricity and for which tariff has already been approved by the Commission, shall be covered under these Regulations:</p> <p>Provided that such Intra-State Transmission System shall be included under these Regulations only for the tariff period for which tariff has already been approved by this Commission.</p> <p>Provided in the absence of such tariff determined by the Commission, the indicative cost furnished by CTU may be used.</p>	<p>generator achieving CoD and the transmission system not coming up will result in the DICs (DISCOMs) not receiving the power from the generator who is ready to schedule.</p> <p>Hence, it is not the generator to be compensated alone by the transmission licensee but also the DISCOMs should be compensated. There needs to be clarity in clause 7 of Regulation 11.</p> <p>The determination of tariff for the Intra-State Transmission lines in some cases would be delayed beyond a year and hence, the additional proviso is included.</p> <p>This will take care of a situation wherein the tariff determination for Intra-State lines are delayed by the Commission for various reasons.</p>

Existing in Draft Sharing Regulations, 2019	Proposed Modifications	Remarks/Reasons
<p>12. Accounting</p> <p>1) Implementing Agency shall notify total transmission charges payable by the DICs for the Billing month in terms of Rs. per MW for each State by dividing total transmission charges payable by the State by its quantum of Long Term Access and Medium Term Open Access.</p>	<p>12. Accounting</p> <p>1) Implementing Agency shall notify total transmission charges payable by the DICs for the Billing month in terms of Rs. per MW for each State by dividing total transmission charges payable by the State by its quantum of Long Term Access and Medium Term Open Access (Including National component, Region component, Transformer component, AC-UBC and AC-BC).</p>	<p>For clarity.</p>
<p>13. Billing.</p> <p>1) -----</p> <p>2) -----</p> <p>(a) -----</p> <p>(b) -----</p> <p>(c) -----</p> <p>i) -----</p> <p>ii) -----</p> <p>iii) -----</p> <p>(a) Transmission Deviation Rate for a State shall be charged at 1.20 X(transmission charges of the State for the Billing month)/ (quantum of Long Term Access plus Medium Term Open Access of the State for the Billing month).</p> <p>(b) -----</p> <p>iv) -----</p> <p>v) -----</p> <p>vi) -----</p> <p>vii) -----</p>	<p>13. Billing.</p> <p>1) -----</p> <p>2) -----</p> <p>(a) -----</p> <p>(b) -----</p> <p>(c) -----</p> <p>i) -----</p> <p>ii) -----</p> <p>iii) -----</p> <p>(a) Transmission Deviation Rate for a State shall be charged at 1.20 X(transmission charges of the State for the Billing month)/ (quantum of Long Term Access plus Medium Term Open Access of the State for the Billing month), for a deviation of 20% above the LTOA and MTOA quantum.</p> <p>(b) -----</p> <p>iv) -----</p> <p>v) -----</p> <p>vi) -----</p> <p>vii) -----</p>	<p>Even in case of DSM Regulation also, there is a dead band of 150-250MW allowed for the States for deviation. Similarly, for transmission deviation there shall be a cushion of 20% deviation allowed to take care of any internal generation failure.</p>

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<p>3) No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.</p>	<p>3) No Transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions made by the DICs (DISCOMs).</p> <p>Additional provision: No transmission charges and losses for the use of ISTS shall be payable for the Green Energy transaction made by DICs (DISCOMs) through DEEP portal/exchange/overarching agreement.</p>	<p>The transmission charges should be levied on Short Term Open Access by others (other than DICs (DISCOMs)) as the quantum of energy transacted through STOA by Industries are increasing day by day, affecting financial sustainability of DISCOMs.</p> <p>The increase in STOA is also supported by the reduction in energy cost in the market as well as the transmission lines planned and executed are not fully utilised by the DICs (allowing a huge margin for Short Term Transactions).</p> <p>This is to enable DISCOMs to sell their RE power (in excess of RPO obligations).</p>
<p>4) Central Transmission Utility shall be responsible for raising the bilateral bills for transmission systems covered under Regulation 11 of these Regulations.</p>	<p>4) Needs clarity on clause 7 of Regulation 11.</p>	<p>Needs clarity on clause 7 of Regulation 11. (Remarks on clause 7 of Regulation 11 mentioned above may be considered).</p>

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<p>18. Event of Default of a DIC</p> <p>1) The occurrence and continuation of the following events shall constitute a DIC Event of Default:</p> <p>(a) A DIC fails to comply with the prevailing regulations including the provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time including any subsequent re-enactment thereof or is in material breach of these Regulations and such material breach is not rectified by the said DIC within 60 (sixty) days of receipt of notice in this regard from the concerned inter-State Transmission Licensee or the Central Transmission Utility; or</p>	<p>18. Event of Default of a DIC</p> <p>1) -----</p> <p>(a) A DIC fails to comply with the prevailing regulations including the provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time including any subsequent re-enactment thereof or is in material breach of these Regulations and such material breach is not rectified by the said DIC within 60 (sixty) days of receipt issue of notice in this regard from the concerned inter-State Transmission Licensee or the Central Transmission Utility; or</p>	<p>The word “issue” of notice would be relevant.</p>
<p>19. Transition Period</p> <p>1) -----</p> <p>2) From the date these Regulations come into force, the first month's bill shall be raised in the third month as per the timeline specified in these Regulations. Bills for the previous two months i.e. first and second month, shall be based on earlier mechanism under the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.</p>	<p>19. Transition Period</p> <p>1) -----</p> <p>2) From the date these Regulations come into force, the first month's bill shall be raised in the third month as per the timeline specified in these Regulations. Bills for the previous two months i.e. first and second month, shall be based on earlier mechanism under the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (50% Uniform Charges and 50% PoC method).</p>	<p>For clarity.</p>
<p>20. Procedures to be framed under these Regulations</p> <p>1) -----</p>	<p>20. Procedures to be framed under these Regulations</p> <p>1) -----</p>	

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<p>2) The software for the implementation of these regulations shall be audited or cause to be audited by the Commission before it is put to use, and thereafter from time to time as may be decided by the Commission.</p>		<p>To take confidence of the DICs on the software used by the Implementing Agency and also to make aware among the DICs, the CERC may procure in bulk and supply the software (which will be cost effective) to all DICs as CERC has done in case of purchasing PSES software and supplied to STU, SLDC and State Regulators.</p>
<p>21. Timeline for furnishing the information</p> <p>1) ----- 2) ----- 3) -----</p> <p>4) On or before 7(seven) days after end of Billing Month, DICs shall submit following data:</p> <p>a) MW and MVAR Data for injection or drawal at various nodes or a group of nodes for peak block for each Billing Month.</p> <p>b) -----</p> <p>5) -----</p>	<p>21. Timeline for furnishing the information</p> <p>1) ----- 2) ----- 3) -----</p> <p>4) On or before 7(seven) days after end of Billing Month, DICs shall submit following data:</p> <p>a) MW and MVAR Data for injection or drawal at various nodes or a group of nodes for peak block for each Billing Month (including the Inter-State drawal or injection in MW and MVAR through the natural ISTS lines).</p> <p>b) -----</p> <p>5) -----</p>	<p>To ensure that, the Inter-State flow of power is properly captured in the software and the quantum of power going to other State is reduced from the drawal quantum of the State which is wheeling power to other State (Karnataka is wheeling power to an extent of 60-80 MW to Telangana/Andhra, 100-120 MW to Kerala and around 100 MW to Goa).</p>

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<p>6) If a DIC does not provide the required data, including injection or drawal data for intra-State points within stipulated time period, it shall be levied an additional transmission charge @ 1% of the transmission charges under the First Bill for the month.</p>	<p>6) If a DIC does not provide the required data, including injection or drawal data for intra-State points within stipulated time period, it the respective DIC (STU or SLDC or Generator) shall be levied an additional transmission charge @ 1% of the transmission charges under the First Bill for the month.</p>	<p>There needs to be a clarity as to who should pay the additional transmission charges as STU or SLDC in some cases would not have furnished the data but the DISCOMs end up paying the additional charges as penalty.</p>
<p>22. Information to be published by the Implementing Agency</p> <p>1) The information to be made available, on its website, by the Implementing Agency shall include:</p> <p>(a) The Basic Network, generation at nodes and drawal at nodes considered for the base case and the load flow results for each Billing Month, on its website, immediately after its finalization;</p>		<p>As stated in para 20 above, procurement of software in bulk and handing over the same to the DICs will facilitate DICs to verify data published by the Implementing Agency.</p>