

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

Date: 02nd December, 2019

Subject: Comments on draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

Reference: CERC Advertisement No. L-1/250/2019/CERC, "Public Notice: Inviting Comments, suggestions and/or objections in draft CERC Regulations pertaining to Sharing of Inter-State Transmission Charges and Losses" dated 31st October 2019.

Dear Sir,

With regards to the aforementioned draft regulations on which the Hon'ble Commission has invited comments, we wish to submit our observations/comments and objections/suggestions as attached in **Annexure-I**:

We humbly request the Hon'ble Commission to favourably consider our comments and suggestions in the larger interests of the beneficiaries.

Thanking you,

Yours Truly,



Kulbhushan Kumar
(Authorized Representative)

ReNew Power Limited

(Formerly Known as ReNew Power Private Limited and ReNew Power Ventures Private Limited)

CIN - U40300DL2011PLC291527

Registered Office: 138, Ansal Chambers-II, Bhika Ji Cama Place, Delhi - 110066

Tel: +91 11 4677 2200, Fax: +91 11 4111 2980

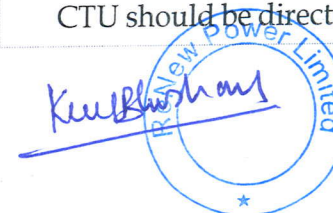
Corporate Office: Commercial Block-1, Zone 6, Golf Course Road, DLF City Phase-V, Gurugram - 122009

Tel: +91 124 4896 670, Fax: +91 124 4896 699

Email: info@renewpower.in, Web: www.renewpower.in

Table 1: Renew Power's objections/suggestions on the Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

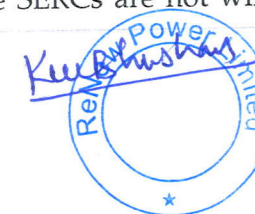
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
		Definition of "Bulk Consumer" or "Bulk Customer" may be specified.	<ul style="list-style-type: none"> Definition f) 'Designated ISTS Customer' or 'DIC' refers to the term Bulk Consumer. It is also used in the Regulations at several places. The same may be defined in the section definition to avoid any ambiguity in future.
2.1(n)	n) 'regional node' means a injection node or a drawal node which is directly under control area of Regional Load dispatch Centre.	n) 'regional node' means <u>an</u> injection node or a drawal node which is directly under control area of Regional Load dispatch Centre.	<ul style="list-style-type: none"> Proposed to revise as suggested
5.1	<p>5.Components and sharing of National Component (NC)</p> <p>(1) National Component shall be the sum of following components:</p> <p>(a) National Component-Renewable Energy (NC-RE); and</p> <p>(b) National Component-HVDC (NC-HVDC).</p>		<p>To provide transparency in the information availability and avoid asymmetry in the information, the CTU shall provide the following details on its website:</p> <ul style="list-style-type: none"> As the Draft Regulations proposes to consider the National component - Renewable Energy (NC-RE) for computation of Transmission Charges, the CTU should be directed to put the details of



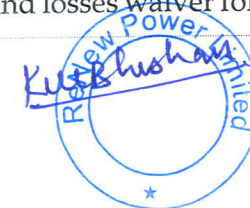
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
			<p>the transmission systems to be developed for RE under CTU planning.</p> <ul style="list-style-type: none"> • In addition, CTU should provide break up of Assets Base and corresponding ARR components as on Base Year (FY2018-19) for public consultation • In case the component-wise break up is not readily available, the principles for allocation of cost/Assets base should be clearly defined.
5.2	<p>(2) National Component-Renewable Energy shall comprise of transmission charges for transmission systems developed for renewable energy projects as identified by the Central Transmission Utility.</p>		
5.4	<p>(4)Transmission charges for the National Component shall be shared by the drawee DICs in the ratio of their quantum of Long term Access plus Medium Term Open Access.</p>	<p>Following proviso shall be added</p> <p><i>Provided that, The CTU shall upload the details of LTOA and MTOA for the base year approved by CTU for ISTS on its Website which will be considered for transmission charges.</i></p> <p><i>The details of LTOA and MTOA shall be updated on quarterly basis</i></p>	<ul style="list-style-type: none"> • To provide transparency in the information availability and avoid asymmetry in the information, the CTU shall provide the details of information used for computation of charges on its web site:



Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
11.1(b)	<p>(a) No transmission charges and losses for the use of ISTS shall be payable for the capacity of the generation projects based on solar or wind resources for a period of 25 years from the date of commercial operation of the such generation projects if they fulfill the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation between 1.7.2017 and 12.2.2018 for solar based resources or between 30.9.2016 till 12.2.2018 for wind based resources; and Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation</p>	<p>(c) No transmission charges and losses for the use of ISTS shall be payable for the capacity of the generation projects based on solar or wind resources for a period of 25 years from the date of commercial operation of the such generation projects if they fulfill the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>Such generation capacity has been declared under commercial operation between 1.7.2017 and 12.2.2018 for solar based resources or between 30.9.2016 till 12.2.2018 for wind based resources; and Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation</p>	<ul style="list-style-type: none"> • The majority of RE rich states like Tamil Nadu are already fulfilling the RPO Targets and the SERCs are not willing to increase the RPO targets further to harness the balance RE potential in these states. • In such case the RE development through third party sale and captive consumption need to be promoted. • Considering the targets under National Solar Mission, the Commission should not discriminate the RE generators developed under competitive bidding or developed under Regulatory FiT regime, i.e. Section 62 of the EA,2003 and also should not limit the procurement of RE upto RPO by Discom.
11.1(c)	<p>(d) No transmission charges and losses shall be payable for the generation projects based</p>	<p>(d) No transmission charges and losses shall be payable for the generation projects based</p>	<ul style="list-style-type: none"> • The majority of RE rich states like Tamil Nadu are already fulfilling the RPO Targets and the SERCs are not willing to increase



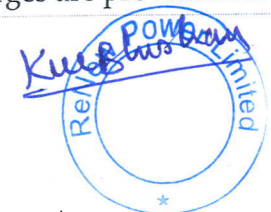
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
	<p>on solar or wind resources for the use of ISTS, for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:</p> <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 Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations</p>	<p>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 or the extend SCOD as per the provisions of competitive guidelines; and Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations</p>	<p>the RPO targets further to harness the balance RE potential in these states.</p> <ul style="list-style-type: none"> • In such case the RE development through third party sale and captive consumption need to be promoted. • Considering the targets under National Solar Mission, the Commission should not discriminate the RE generators developed under competitive bidding or developed under Regulatory FiT regime, i.e. Section 62 of the EA,2003 and also should not limit the procurement of RE upto RPO by Discom. • Further GoI vide its notification no. 23/12/2016-R&R dated 06th November 2019 has extended the deadline for applicability of ISTS charge and losses waiver for wind and solar based project from 31.03.2022 to 31.12.2022. Same should be adopted under these regulations. there is fair possibility
11 (4)	(4)Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD,	(4)Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD, which is not earlier than	<ul style="list-style-type: none"> • GoI vide its notification no. 23/12/2016-R&R dated 06th November 2019 has extended the deadline for applicability of ISTS charge and losses waiver for wind and



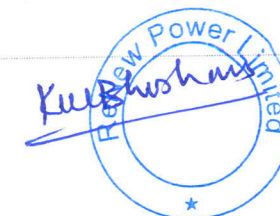
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
	<p><i>which is not earlier than its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to capacity of generating station or unit(s) thereof which have not achieved COD</i></p> <p><i>Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations.</i></p>	<p>its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to capacity of generating station or unit(s) thereof which have not achieved COD</p> <p>Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations.</p> <p><u>Provided further that, the above provisions are not applicable to the cases specified under Regulation 11(1) of these Regulations, where awarded through competitive bidding process in accordance with the guidelines issued by the Central Government. Under all such scenario the yearly transmission charges for the associated transmission system corresponding will be considered under regulations 5 to 8 of these Regulations.</u></p>	<p>solar based project from 31.03.2022 to 31.12.2022. Same should be adopted under these regulations.</p> <ul style="list-style-type: none"> • The provision of Regulation 11 (1) (c) specifies that 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 subjected to the conditions as specified by GOI subject to the conditions specified in the Regulations. • As the waiver of transmission charges and losses is applicable to all wind and solar based projects for a period of 25 years subjected to achievement of COD on or before 31.12.2019. There is a fair possibility that the project time lines are not met due to reasons beyond reasonable control of developers tantamounting of force majeure event. Under such a scenario levy of any penalty and/or transmission charges will pose a lot of financial burden on the developer turning the project in a non-performing assets. It is requested to add suggested provision to Regulation 11(4).



Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
			<ul style="list-style-type: none"> As far as seriousness of a wind and solar based generator is concerned, they are already bound to complete the project within a specified time period as specified in the competitive bidding guidelines as issued by GOI. In case of an extraordinary delays there is provision for termination of PPA, this will ensure that none of the developer squats the LTA for unreasonable period.
11 (5)	<p><i>(5)Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access.</i></p> <p><i>Provided that the amount received on account of payments in the month towards such Long Term Access shall be reimbursed to the DICs in proportion to their shares under the First Bill in the following month.</i></p>	<p><i>(5)Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access.</i></p> <p><i>Provided that the amount received on account of payments in the month towards such Long Term Access shall be reimbursed to the DICs in proportion to their shares under the First Bill in the following month.</i></p>	<ul style="list-style-type: none"> The provision of Regulation 11 (1) (c) specifies that 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 upto 31.3.2022 subject to the conditions specified in the Regulations. It requested to clarify that, the provision of Regulation 11(5) is not applicable to the cases specified under Regulation 11 (1) of these Regulations as the waiver of transmission charges are provided for



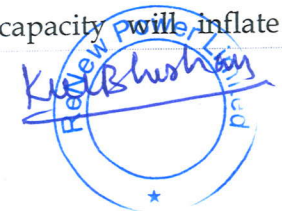
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
	<p><i>Provided that such Long Term Access shall be excluded for computation under Regulations 5 to 8 of these regulations</i></p>	<p><i>Provided that such Long Term Access shall be excluded for computation under Regulations 5 to 8 of these regulations</i></p> <p><u>Provided further that, the above provisions are not applicable to the cases specified under Regulation 11(1) of these Regulations, where awarded through competitive bidding process in accordance with the guidelines issued by the Central Government.</u></p>	<p>wind and solar projects to be commissioned on or before 31.3.2022.</p>
16	<p><i>Letter of Credit</i></p> <p><i>(1)Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, as the case may be, each DIC shall, through a scheduled bank, open an irrevocable, unconditional and revolving Letter of Credit or any other acceptable payment security mechanism in favour of the Central</i></p> <p><i>Transmission Utility, to be made operative from a date prior to the Due Date of its First Bill and shall be renewed annually</i></p>	<p>Letter of Credit</p> <p>(1)Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, as the case may be, each DIC shall, through a scheduled bank, open an irrevocable, unconditional and revolving Letter of Credit or any other acceptable payment security mechanism in favour of the Central</p> <p>Transmission Utility, to be made operative from a date prior to the Due</p>	<ul style="list-style-type: none"> • Renew power request to clarify that the provision of LC shall not be applicable to special cases specified under Regulation 11(1) of these Regulations as these cases provides waiver of transmission charges to wind and solar generators subject to provisions of the Regulation.



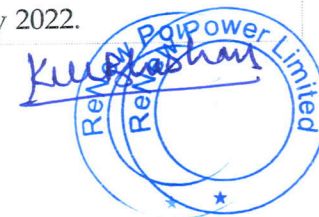
Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
		<p>Date of its First Bill and shall be renewed annually.</p> <p><u>Provided that, the provision of Letter of Credit shall not be applicable to the cases specified in the Regulations 11(1) of these Regulations.</u></p>	
18.4	<p><i>(4)After the expiry of 60 (sixty) days from the date of issue of notice, unless the circumstances giving rise to such notice as mentioned in clause (1) of this regulation shall have ceased to exist or have been remedied, the concerned DIC shall cease to be a DIC under these Regulations and the Central Transmission Utility shall issue a Termination Notice of 30 (thirty) days to this effect with a copy to the Commission and the Implementing Agency.</i></p> <p><i>Provided that in case of termination as DIC of an entity on account of DIC's event of default, the Long Term Access or Medium Term Open Access or both of such entity shall be cancelled. Such cancellation shall be treated as relinquishment of Long Term Access or Medium Term Open Access in terms of Central Electricity Regulatory</i></p>		<ul style="list-style-type: none"> • Renew power requests to direct the CTU to formulate the procedure through which generator can ask for relinquishment charges in advance on payment of fees. This will enable generators to take informed decision. • The Stakeholders shall be given opportunity to offer the comments while formulating such procedure by CTU.



Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
	<p><i>Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 and the said entity shall pay the relinquishment charges accordingly</i></p>		
20.1	<p>20.Procedures to be framed under these Regulations</p> <p><i>(1) Implementing Agency shall notify detailed procedures and formats for collection of generation and demand data from each DIC, data pertaining to the Basic Network and for calculation of transmission charges within 90 (ninety) days of the notification of these Regulations and post it on its website</i></p>		<ul style="list-style-type: none"> • The Stakeholder shall be given opportunity to offer comments on the Draft Procedure to be formulated by Implementation Agency.
12	<p>Accounting</p> <p><i>(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</i></p>	<p>Accounting</p> <p><i>(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</i></p>	<ul style="list-style-type: none"> • The capacity utilization factor for a typical wind, solar or its Hybrid system fall in range of 25% to 40% on an annual basis. Such generation projects operates at it rated capacity for a very short duration of time. Blocking the transmission corridor based on name-plate capacity will inflate the



Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
	<i>its quantum of Long Term Access and Medium Term Open Access.</i>	<p>by its quantum of Long Term Access and Medium Term Open Access.</p> <p><u>Provided that capacity for wind and solar generators including its hybrid systems with/without co-located and/or de-located battery storage will be considered after applying Capacity Utilization Factor calculated based upon the data for the last FY.</u></p>	<p>transmission charge to 2.5 time to 4 time which will be ultimately uploaded to power procurement cost. Based on this fact we suggest to apply a capacity factor while calculating the transmission charges for such projects.</p> <ul style="list-style-type: none"> • The balance capacity so created may be used for real-time and ancillary market based on payment of certain charges.
Additional	Additional provision	<p><u>Additional proviso shall be added after Regulation 11(1) (c)</u></p> <p><u>Provided that, the provision of Regulations 11(1) (a) to (c) shall be also applicable to generating station integrated with battery storage technologies either co-located and/or de-located with wind, solar and/or its hybrid projects.</u></p>	<ul style="list-style-type: none"> • The Draft Regulation 11(1) specifies the special cases for waiver of sharing of transmission charges for wind and solar generation subject to provisions of the Regulations. • Renew power proposes to extend the applicability of the Regulations 11(1) of these Regulations to Wind and Solar hybrid generation projects including battery storage, • The Report of the Task Force for review of framework for Point of Connection (PoC) charges, recommends the waiver of sharing of Inter-State transmission charges to Wind and Solar generation in order to achieve the Targets of 175 GW by 2022.



Reg. No.	Provision of Draft Regulation	Proposed Suggestion for Revision by Renew Power	Justification /Rationale
			<ul style="list-style-type: none">• Renew Power is of the view that, Wind Solar hybrid projects with battery storage will be developed in future in the interest of grid stability. Such projects needs to be encouraged by providing the similar benefits.

