



**Comments from Tata Power Company Limited on  
Draft CERC (Sharing of Inter State Transmission Charges and Losses) Regulation 2019**

S No.	Extracts from Draft Regulation	Proposed Changes to Draft Regulations	Views/Observations and Recommendation (if any)
1.	<p><b><u>Regulation 3 (3)</u></b></p> <p><b>Principles of sharing transmission charges</b></p> <p>The transmission charges for transmission system after such transmission system has achieved COD with regular service, shall be shared by DICs in accordance with Regulations 5 to 8 of these regulations.</p> <p>Provided that in case of a transmission system where COD has been approved in terms of proviso (ii) of clause (3) of Regulation 4 of the Tariff Regulations, 2014 or clause (2) of Regulation 5 of the Tariff Regulations, 2019 or transmission system which has been declared deemed COD in terms of Transmission Service Agreement under Tariff based Competitive Bidding, the Yearly Transmission Charges shall be shared by DICs in</p>	<p>Definition of “Deemed COD” to be included in the proposed regulations.</p>	<p>The definition of “Deemed COD”, may be added in this regulations, although it is defined under Transmission Service Agreement</p>

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	<p>accordance with clause (11) of Regulation 11 of these regulations.</p> <p>Provided further that the transmission charges for transmission system governed by provisions of clause (4) and clause (8) of Regulation 11 of these regulations shall not be shared by DICs in accordance with Regulations 5 to 8 of these regulations</p>		
2.	<p><b><u>Regulation 5.2 &amp; 5.4</u></b></p> <p>5 (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> <p>5(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 for information:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>The details of LTOA and MTOA shall be updated on monthly basis</p>	<p>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:</p> <p>In view of the above rationale, the suggested proviso shall be added and the details of LTOA and MTOA shall be updated on monthly basis.</p>
3.	<p><b><u>11.(1) (c)...</u></b></p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022; and</p>	<p>11.(1) (c)...</p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.12.2022; and</p>	<p>Ministry of power came out with a notification on 06.11.2019, wherein it was notified that the date specified for waiver of interstate transmission charges and losses on transmission of the electricity generated from Solar and Wind sources of energy is to be read as 31.12.2022 instead of 31.03.2022.</p>

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			In view of that Regulation should also be in same line as specified in the notification issued by MoP & modify that “such generation capacity has been declared under commercial operation Between 13.2.2018 and 31.12.2022
4	<p><b><u>Regulation 11 (1) (C) &amp; (4) &amp; (5)</u></b></p> <p><b>Transmission charges in specific cases:</b></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;</p> <p>and</p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022; and</p> <p>(iii) 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>Wind / Solar Project Developer should also be allowed to extend date of operationalization / SCOD of project due to Force Majeure/unforeseen events beyond the control of developers, subject to getting necessary extension of SCOD from bidding and there should not be any levy of transmission charges for the transmission assets developed or from existing margins. In cases where the Developers have obtained consent from bidding agencies for extension of SCOD, CTU/PGCIL shall accept the revision in LTA operationalization dates in line with revised SCOD. Accordingly, it is requested to incorporate suitable provisions in the Regulations.</p>	<p>We would like to bring your kind attention on Ministry of power’s (“MoP”) order dated 30.9.2016 wherein the Ministry of Power has notified waiver of ISTS charges and losses on transmission of electricity generated from solar and wind resources of energy under para 6.4(6) of the Tariff Policy, 2016. Further, MoP has extended applicability of this scheme for projects commissioned till 31 December 2022 vide its order no. 23/12/2016-R&amp;R dated 06 Nov 2019. It is very much apparent that the intention of MoP behind the waiver of the inter-state transmission charges and losses is to encourage Wind and Solar Energy in order to achieve the sustainable development.</p> <p>The waiver of ISTS charges is, in effect, socialization of cost among the larger consumer framework, instead of being borne by the purchaser of the renewable power. Further, waiver of ISTS charge on solar and wind capacity commissioned upto December 2022 is largely perceived as a potent tool to encourage setting up of the project in states that have greater resources potential and availability of suitable land. It also helps in creating a pan-India renewable power market, as high renewable potential states would supply to less potential states without additional financial burden.</p> <p>Based on the provisions of Central Electricity Regulatory Commission notification No. L-1/44/2010-CERC dated 1<sup>st</sup> of April, 2015 (third amendment to Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges &amp; Losses) Regulations, 2010), if <b><u>the commissioning of a generating station or unit is delayed, the generator becomes liable to pay POC Charges corresponding to its Long term Access from the date of operationalization of Long Term Access granted by CTU.</u></b></p>

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	<p>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 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>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.</p> <p>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.</p> <p>Provided that such Long Term Access shall be excluded for computation under Regulations 5 to 8 of these regulations.</p>		<p>The above provision is drafted by keeping conventional generation in mind, where no transmission charge waiver is applicable, and withdrawal charges are otherwise borne by drawing utility under the LTA. Therefore, above provision is not for wind and solar generators, where these charges are waived.</p> <p>We would like to submit that Wind / Solar Power Project developers are getting ISTS project through bid and successful bidder applied Connectivity on immediate basis based on issued LoA, wherein the developers are getting time to commission project within 15/18 months from the issuance of LoA. Developer has to provide a certain date for operationalization of LTA at initial phase of connectivity. It is pertinent to mention here that at an initial phase, developer provides same SCOD date for date of operationalization of LTA, which is SCOD date. However, sometime project face issues to achieve SCOD on time due to various Force Majeure events, which are beyond the control of developers.</p> <p>However, Wind and Solar Developers are being asked to pay transmission charges prior to date of commissioning even if commissioning has been extended due to reasons not attributable to such developers. Few examples of such reasons are given herein below but not limited to:</p> <ol style="list-style-type: none"> <li>1. Delay in adoption of tariff by the respective State Electricity Regulatory Commission (SERC)</li> <li>2. Delay in providing land by the Solar Park agencies</li> <li>3. Changes in the State Land Policies</li> <li>4. Changes in the Environment related policies/Acts leading to delay in getting Environmental/Wildlife clearances/approvals</li> <li>5. Cases filed by NGOs/Social activists before various Legal Forums leading to delay in getting clearances / approvals.</li> <li>6. Force Majeure events covered under PPA</li> </ol>

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			<p>7. Delay in providing NOCs by Ministry of Defence for Wind Generating Stations.</p> <p><b>In view of the above, Wind / Solar Project Developer should also be allowed to extend date of operationalization / SCOD of project due to Force Majeure/unforeseen events beyond the control of developers, subject to getting necessary extension of SCOD from bidding agencies and there should not be any levy of transmission charges for the transmission assets developed or from existing margins. In cases where the Developers have obtained consent from bidding agencies for extension of SCOD, CTU/PGCIL shall accept the revision in LTA operationalization dates in line with revised SCOD.</b> Accordingly, it is requested to incorporate suitable provisions in the Regulations.</p>
5.	<p><b><u>Regulation 11(5)</u></b></p> <p>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.</p> <p>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.</p> <p>Provided that such Long Term Access shall be excluded for computation</p>	<p>Where Long Term Access to ISTS is granted to a <b>wind/solar</b> generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall <b>need not</b> pay <b>any</b> transmission charges <del>@10% of transmission charge for the State where it is located for the quantum of such Long Term Access</del></p>	<p>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.</p> <p>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 wind and solar projects to be commissioned on or before 31.12.2022.</p> <p>In view of that request to kindly provide relaxation to RE developer wherein the said provisions should not be applicable to the cases specified under Regulation 11(1) of these Regulations, where awarded through competitive</p>

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	under Regulations 5 to 8 of these regulations		bidding process in accordance with the guidelines issued by the Central Government
6.	<p><b><u>Regulation 11.(7)</u></b></p> <p>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). 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>11.(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 <b><u>which shall be acceptable to the generator</u></b> 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 <u>and shall ensure that the generator is compensated for the entire loss on account of power generation which could not be dispatched during that period</u></p>	<p>The changes proposed in the regulation is for the purpose of protecting the interest of the generator and such arrangement between the parties shall be through a proper commercial agreement.</p> <p>Hence it is requested to consider generation loss of developer due to unavailability of Transmission System and concerned transmission licensee(s) shall compensate revenue loss based on the tariff in the PPA's entered by the generating station</p>

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7.	<p><b><u>Regulation 11.(9)</u></b></p> <p>Generating stations drawing start-up power shall pay the transmission charges @Transmission Deviation Rate for the State in which they are physically located.</p> <p>Provided that the amount received on account of payments towards drawal of start-up power shall be reimbursed to the DICs under the First Bill in proportion to their shares in the First Bill in the month next to Billing month.</p> <p>Provided that where transmission element(s) have been declared COD before its SCOD on request of a generating station for drawal of start-up power, the generating station shall instead pay Yearly Transmission Charges for such transmission element(s) till the generating station achieves COD.</p>	<p><b><u>11(9) Additional proviso:</u></b></p> <p>Transmission deviation charges for drawing start-up power shall be exempted for Wind and Solar projects covered under the special cases under clause 11(1) of this regulation</p>	<p>Since MoP has already provided waiver of transmission charges and losses for wind and solar projects, therefore, it is requested that withdrawl of startup should also be considered in line of that and no transmission deviation charges should be levied for drawing start-up power for Wind and Solar projects.</p> <p>Moreover, the annual CUF for Wind / Solar Power Project is in the range of 25% to 35%, which is around ¼ to 1/3 of Conventional Energy, hence the treatment of startup power should be different. Otherwise in energy terms, it becomes very onerous for wind/solar power.</p>
8.	<p><b><u>Regulation 11(11)</u></b></p> <p>Where a transmission system has been declared to have achieved deemed COD in terms of Transmission Service Agreement under Tariff Based Competitive Bidding (TBCB) or the Commission has approved the</p>		<p>In line with MoP order regarding waiver of transmission charges and losses for wind and solar projects, there should not be any levy of transmission charges for delay in COD of wind and solar projects although transmission system has been declared to have achieved deemed COD in terms of Transmission Service Agreement under Tariff Based Competitive Bidding (TBCB) or the Commission has</p>



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	<p>date of commercial operation of such transmission system in terms of clause (2) of Regulation 5 of Tariff Regulations, 2019 or proviso (ii) to clause (3) of Regulation 4 of the Tariff Regulations, 2014, the transmission licensee or generating company whose transmission system or generating station or unit thereof is delayed shall pay the transmission charges of the transmission system till the generating station or unit thereof or the transmission system achieves COD.</p> <p>Provided that where more than one transmission licensee or both transmission licensee and generating station are getting delayed, the proportionate sharing of above transmission charges shall be as decided by Commission.</p>		<p>approved the date of commercial operation of such transmission in terms of clause (2) of Regulation 5 of Tariff Regulations, 2019 or proviso (ii) to clause (3) of Regulation 4 of the Tariff Regulations, 2014.</p>
9.	<p><b><u>Regulation 12.(5)</u></b></p> <p>Timelines for preparation of base case, notification of transmission charges, issue of Regional Transmission Accounts and raising bills shall be as under:</p> <p>(a) Base case for the Billing month shall be prepared by the Implementing Agency by 15th day of the month following the Billing month.</p> <p>(b) Payable transmission charges shall be notified by the Implementing Agency by 25th</p>	<p><b><u>(Appropriate changes to be made in CERC Tariff Regulations 2019 and also a clarification is to be issued for section 63 projects)</u></b></p>	<p>As per current practice, the RTA accounts are usually finalized and notified by RPCs by 5<sup>th</sup>/6<sup>th</sup> of the second month following the billing month, which in turn equips the CTU to raise invoices within 7-10 days of the second month following the billing month.</p> <p>Such invoices are raised with a due date of 45 days which in turn makes the usual recovery cycle of the Transmission licensee's monthly bills to vary from 52 to 60 days as against a receivables built up of 45 days in Interest on Working Capital for Transmission projects built under section 62 as per CERC Tariff Regulations.</p> <p>However, as per the proposed cycle, the usual recovery cycle of the Transmission licensee's monthly bills will</p>



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	<p>day of the month following the Billing month.</p> <p>(c) Based on the notified allocation of charges by the Implementing Agency, Regional Power Committee Secretariat shall issue Regional Transmission Accounts by the end of the month following the Billing month.</p> <p>(d) Central Transmission Utility shall raise bills on DICs based on Regional Transmission Accounts in first week of the second month following the Billing month.</p> <p>Read with 14. Due date Due date in relation to any Bill shall mean the forty fifth (45th) day from the date on which such Bill is raised by the Central Transmission Utility.</p>		<p>increase to 75 - 80 days (30 to 35 days +45 days) from earlier cycle of 52 - 60 days i.e an increase of 15-20 days. Hence, we humbly submit that in such case the Tariff Regulations shall be amended to provide additional Interest on Working Capital for such additional period. Also, for Transmission projects built/bid out under section 63 shall be allowed a change in law to compensate for such additional no of days.</p>
10.	<p><b><u>13.3 Billing Related Clause :</u></b></p> <p>No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.</p>	<p>Our observations have been made and Clarification is sought</p>	<p>1. In current practice, LTOA charges are based on total load at Drawal points and the STOA charges are computed mainly based on total injection and drawal at some nodal point. In such process, whatever STOA charges are collected were shared with the long term beneficiaries who are bearing the annual fixed costs of such assets by paying corresponding LTOA charges.</p> <p>In the proposed mechanism, since the STOA charges are proposed to be made absolutely "Nil", it would literally imply that the LTOA beneficiaries would be subsidizing the STOA beneficiaries. Hence, while, the existing mechanism used to help the LTOA beneficiaries to reduce their costs to certain extent, in the proposed mechanism, the LTOA beneficiaries would not have any option to realize that benefit.</p>

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			<p>2. Secondly, the proposed mechanism would make the STOA transactions more economical as compared to LTOA and MTOA transactions considering the proposed waiver of STOA transmission charges. Hence, this is expected to encourage the discoms to approach the Short term market for sourcing power rather than securing Long term and medium term contracts, which in turn is likely to cause a sudden increase in market prices.</p> <p>It is requested that the Commission may take cognizance of our observations with respect to this change.</p>
11.	<p><b><u>Regulation 16 (1),(2)</u></b></p> <p>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 Transmission Utility, to be made operative from a date prior to the Due Date of its First Bill and shall be renewed annually.</p> <p>The Letter of Credit shall have a term of 12 (twelve) months and shall be for an amount equal to 1.05 (one point zero five) times the average amount of the First Bill for a year, where tripartite agreement for securitization on account of arrears against the</p>	<p>Suitable provision regarding waiver of LC may please be incorporated as the LTA charges are waived off for Wind and Solar projects.</p>	<p><b>We suggest that the Wind and Solar Projects may please be exempted from providing LC against the LTA granted in line with MOP order for waiver of transmission of charges. Further, the LC condition also should not be made applicable for the period from LTA operationalization to actual SCOD of wind/solar projects if the delay in actual SCOD is due to any reasons not attributable to Wind and Solar Generators.</b></p> <p>It may please be noted that Wind/Solar ISTS connected projects are being developed under competitive bidding in accordance with guidelines issued by Central Government and providing power to various state DISCOMs for compliance of their renewable purchase obligation.</p> <p>For such projects, MoP has notified waiver for the LTA charges for the Wind and Solar projects wherein SCOD is achieved on or before 31 December 2022 for a term of 25 years.</p> <p>Therefore, in Chapter-3, Regulation-11, a suitable provision regarding waiver of LC may please be incorporated as the LTA charges are waived off for Wind and Solar projects.</p>

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	<p>transmission charges with the Government of India exist.</p> <p>Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of First Bill for a year</p>		
12.	<p><b><u>Regulation 18 (4)</u></b></p> <p><b>Relinquishment charges for Wind / Solar Project in case of termination of PPA:</b></p> <p>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 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.</p>	<p>The Hon'ble Commission is requested to issue directions to CTU/Implementing agency so that that a separate methodology for Wind / Solar Projects is determined for computation of Relinquishment charges.</p>	<p>Wind/Solar projects who have terminated their PPAs subsequent to unforeseen events beyond the control of generators and accepted by SECI/Bidding agency should be allowed to relinquish the LTA without any penalties and it should not be considered as DIC Event of Default Accordingly, it is requested to incorporate suitable provisions in the Regulations.</p> <p>Further, the applicability of Relinquishment charges would differ for Conventional &amp; Non-Conventional source of energy as an annual CUF for Wind / Solar Power Project is in the range of 25% to 35%, which is around 1/3 of Conventional Energy. The same relinquishment methodology formulated for conventional project shall not be made applicable for the Wind / Solar Power Project and need to determine a separate methodology for Wind / Solar Project. Accordingly, the Hon'ble Commission is requested to issue directions to CTU/Implementing agency.</p>
13.	<p><b><u>Regulation 18(4)</u></b></p> <p>Permission of Location Change for Wind / Solar Project.</p>		<p>The Green energy corridor is being developed to accommodate the Renewable energy projects wherein the high potential states would be targeted for setting up projects and supply to less potential states. This facilitates developers to choose any location pan India where there is high potential of renewable energy generation.</p>

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			<p>With the same intent, the bidding guidelines have come up with a provision for change of location of project due to Force Majeure/unforeseen events and/or reasons which are beyond the control of developers, subject to submission of necessary supporting documents to the satisfaction of bidding agencies - SECI/NTPC/Procurer with necessary extension of SCOD.</p> <p>The Hon'ble Commission is requested to take cognizance of above provision and make necessary changes in the draft Regulations with directions to CTU to accommodate the request for change in location in line with the acceptance of SECI/Bidding agency without imposing any transmission/relinquishment charges/penalties on account of delay to the Project Developer wherein the reasons for delay are not attributable to the Project Developer.</p>
14.	<p><b><u>Regulation 18(5).</u></b></p> <p><b><u>Event of default of a DIC</u></b></p> <p>Upon termination of the status of DIC, the entity shall not be eligible for interchange of power under any form of open access unless such entity remedies the default and makes payment of all outstanding charges including relinquishment charges</p>		<p>As the relinquishment charges may be huge and DIC may not be able to make all the payment in one go but agreed to make payments in some segments. Then entity shall be entitled for inter change power under open access.</p> <p>In view of that the suggested clause is “Upon termination of the status of DIC, the entity shall not be eligible for interchange of power under any form of open access unless such entity remedies the default and <b>makes an agreement with the transmission licensee for payment</b> of all outstanding charges including relinquishment charges”</p>
15.	<p><b><u>Regulation 20.1</u></b></p> <p><b><u>20.Procedures to be framed under these Regulations</u></b></p> <p>(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</p>		<p>The Stakeholder shall be given opportunity to offer comments on the Draft Procedure to be formulated by Implementation Agency.</p>

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	transmission charges within 90 (ninety) days of the notification of these Regulations and post it on its website		
16.	<p><b><u>Regulation 21. (6)</u></b></p> <p>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>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 <b><u>provided the reason for DIC not submitting such data is a controllable parameter of DIC.</u></b></p>	<p>There does not seem to be any major/substantial reason for delaying or avoiding such data submission. Hence, in most of the cases there would be some substantial reason/hurdle beyond the control of DIC for not submitting such data. However, the onus to prove that the matter was beyond its own control shall be put on the DIC.</p>
17.	<p><b><u>Pg. 23 iv(a) of Explanatory Memorandum</u></b></p> <p>It is observed that buying DICs may not buy power under LTA and may buy power under STOA keeping in view economics of transaction. Such DICs who actually draw power within their LTA quantum should not be charged separately for STOA. Selling DICs who have LTA with identified beneficiaries may not get schedule from such beneficiaries and may sell power under STOA. An entity should be charged transmission charges for power injected or drawn beyond their LTA or MTOA. <b><u>Hence it is suggested that separate charges for STOA shall not be collected from entities having LTA or MTOA.</u></b> However, they shall be charged deviation bill.</p>	<p>Clarification is sought</p>	<p>While the proposed regulations specify that no transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions, however the explanatory memorandum only explains the rational for not charging the STOA charges to entities who have LTA or MTOA.</p> <p>It is suggested to please clarify the point that STOA charges to those entities who do not have either LTA or MTOA would not be levied; however, deviation charges would be levied on them. Does this mean that STOA charges would be levied even if the transactions are within STOA schedules?</p>
18.	Additional Comment	Definition of “Bulk Consumer” or “Bulk Customer” may be specified.	Definition f) ‘Designated ISTS Customer’ or ‘DIC’ refers to the term Bulk Consumer. It is also used in the

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			Regulations at several places. The same may be defined in the section definition to avoid any ambiguity in future.
19.	Additional Comment	Submission of Financial Closure documents in PGCIL within the time stipulated in the PPA.	<p>It is to be noted that Wind / Solar Developer has to submit documents of Financial closure within the time stipulated in the PPA, in line of 9.3.1 of Detailed Procedure for “Grant of Connectivity to projects based on Renewable Sources”, is quoted below:</p> <p>“9.3 Conditions to be met by Stage-II Connectivity Grantees</p> <p>9.3.1 After grant of Stage-II connectivity, the grantee covered under Clause 9.2.1 shall have to achieve the following milestones in accordance with bidding documents and submit the proof to CTU within a week of achieving the milestone(s):</p> <ul style="list-style-type: none"> <li>(i) Ownership or lease rights or land use rights of the land required as per bidding documents for the capacity of Stage-II connectivity.</li> <li>(ii) Financial closure within the time stipulated in the PPA. Sanction letter from financial institution to be submitted as proof of financial closure.</li> <li>(iii) Proof of release of at least 10% funds towards generation project execution within three months from the date of financial closure supported by Auditor’s certificate regarding release of such funds through equity.”</li> </ul> <p>We would like to submit that due to various FM event, developers are not in position to fulfill stipulated conditions in PPA for achievement of FC on time and also getting consent from bidding agencies, from which they bidder has signed PPA.</p> <p>In view of the above, in case Developers are getting approval from bidding agencies for extension of FC and/or SCOD, the Hon’ble Commission may issue</p>

S No.	Extracts from Draft Regulation	Proposed Changes to Draft Regulations	Views/Observations and Recommendation (if any)
			directions to CTU/PGCIL to allow the project developers extended timeline for submission of documents in respect of FC and/or SCOD.
20.	<p><b><u>Reference to CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in inter-state Transmission and related matters) Regulations 2009 along with DETAILED PROCEDURE FOR “GRANT OF CONNECTIVITY TO PROJECTS BASED ON RENEWABLE SOURCES TO INTER-STATE TRANSMISSION SYSTEM”</u></b></p> <p><b><u>Proviso 1 to Regulation 8.(8) of Connectivity Regulations</u></b>  “Provided that a thermal generating station of 500 MW and above and a hydro generating station or a generating station using renewable sources of energy of capacity of 250 MW and above, other than a captive generating plant, shall not be required to construct a dedicated transmission line to the point of connection and such station shall be taken into account for coordinated transmission planning by the Central Transmission utility and Central Electricity Authority”.</p> <p><b><u>read with</u></b></p> <p><b><u>5.3.1 of the approved Procedure</u></b>  <b><u>5.3 Scope of bays for dedicated transmission line</u></b>  5.3.1 For the connectivity system, the dedicated transmission line including line bays at generation pooling station shall be under the scope of the applicant and the terminal bays at the ISTS sub-station shall be under the scope of transmission licensee owning the ISTS sub-station subject to compliance of relevant provision of tariff policy.</p>		<p>Joint reading of the clauses suggest that while, it is the responsibility of the renewable generators (capacities less than 250 MW) to construct Transmission lines including bays to get connected to the nearest sub-station at its own cost and the responsibility to build the terminal bays is with the Licensee.</p> <p>However, it has been observed that on many occasions RE generators are constrained to not only construct the terminal bays at their own cost but also bear O &amp; M charges (as per CERC Tariff Regulations from time to time) in addition to overhauling and replacement charges being asked (as per the bilateral agreement which the RE generators are compelled to enter into).</p> <p>Considering the lop sided clauses of such agreement, we request Hon'ble Commission to kindly approve a standard charges format which may be charged to such RE generators and thus bring such segment of transactions under Hon'ble Commission's jurisdiction as any such revenue by the Licensee shall be utilized to reduce the ARR of the licensee and thus the LTOA/MTOA charges payable by the long term beneficiaries.</p>