# PSPCL PUNJAB STATE POWER CORPORATION LIMITED



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Corporate Identification Number (CIN): U40109PB2010SGC033813 Registration Number: 33813

To

Secretary,

Central Electricity Regulatory Commission,

3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,

36, Janpath, New Delhi-110001

Memo No. 242/45/5-371 Dated: 15-02-22

Sub:- Comments/Suggestions on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

Ref∴-Your office Public Notice dated 16.12.2021 and 14.01.2022.

In reference to subject noted above and letter under reference, wherein CERC has sought comments on draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021. Brief comments on the proposed draft regulations have also been conveyed during online workshop held on 10.02.2022 by CERC. Detailed comments/ suggestions of PSPCL are as below:

#### 1. Regulation 18.1

Clause (a) of Regulation 18.1 may be corrected as under:-

Existing provision	Proposed provision
(a) GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of 'A' for the financial years 2018-19, 2019-20 and 2020-21: where, 'A' = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day)during the year]}	(a) GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of "A" for the financial years 2018-19, 2019-20 and 2020-21: where, 'A' = {0.5 X maximum ISTS drawal by the State/drawee entity in a time block during the year} + {0.5 X [average of (maximum ISTS drawl by the State/drawee entity in a time block in a day) during the year]}

Further, the deemed GNA computed, as per Clause (a) of Draft Regulation 18.1, for Punjab is 5497 MW (as given at Annexure-1 of draft Regulations), based on drawl of state. This drawl also includes PSPCL's share from BBMB (for which expenses of transmission system already being shared and will have to be shared exclusively by beneficiary states) and Solar/Wind Renewable energy generators (with whom arrangements were entered into based on tariff without transmission charges, being exempted for Solar/Wind generators).

It is worth mentioning that currently the chargeable LTA/MTOA quantum of 4300 MW is based on the actual LTA/MTOA tie-ups/agreements executed by the State of Punjab (this is exclusive of BBMB share and Solar/wind renewable energy for which expenses of transmission system are exempted). In any case, the LTA/MTOA share of Punjab from BBMB and Solar/Wind renewable energy as above should not be included in the GNA quantum calculation for the purpose of levying ISTS transmission charges.

So calculation of GNA for PSPCL including both of above i.e. BBMB share and Solar/wind energy for which transmission charges are exempted is not in order and may please be considered after excluding the both as otherwise will make PSPCL to pay transmission charges for BBMB twice and additional financial burden on account of exempted renewable energy.

It is worth mentioning that Punjab is a State with very peculiar load profile with huge demand during 4 months (June to September) of paddy season and lean demand during balance 8 months (Oct. to May). During 8 months of low demand, state's dependency to power from outside state is less than half (i.e. even not utilizing current LTAs) of what it has to draw in peak period. Averaging these two drawls, is not rationalizing the so wide gap between peak period and lean period drawls rather burdening the state with more charges per year to pay even then the current regime.

Fixing deemed GNA of Punjab as 5497 MW for whole year will increase huge financial burden on discom and consumers of state on account of high ISTS transmission charges of 8 months lean period during which GNA will remain less utilized.

During high demand period of 4 months, state has to rely heavily on T-GNA (Currently STOA). STOA charges are currently exempted to discoms with LTA/MTOA. Introduction of paid T-GNA in place of exempted STOA charges will further burden the discoms and consumers of state.

As above, with the proposed GNA Regulations, the ISTS charges for the State of Punjab shall further increase (despite of low usage of ISTS transmission network), causing severe financial implications to the State.

In view of above, it is also proposed that GNA for Punjab may please be calculated separately for June to Sep. months and for rest of the months based on the drawl during respective periods.

## 2. GNA "within the region" & "outside the region"

Regulation 18.1 (d) of the draft provides that the GNA deemed to have been granted to STU as per clause 18.1 (c) shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations. Further, the draft regulation also proposes the mechanism to relinquish the GNA in clause 25 of the regulation.

However, the draft has not provided a way out for a situation where a distribution company wants to change its GNA from one type to another, say from "outside the region" to "within the region" while retaining the total GNA as it may have cost benefit to discoms for the power drawn from the sources in other regions. No relinquishment/shifting charges should be levied for such changes. In this regard, necessary provisions/clarity may be included in the regulations.

### 3. Regulation 20.1, 20.2 vs. Regulation 28.1

As per Regulations 20.1 and 20.2, entities may apply for GNA from a specified date, for a specified quantum, and for a specified period of **not less** than eleven month.

Further, as per Regulations 28.1, T-GNA may be applied for any period from 1 (one) time block and **up to 11 (eleven) months.** 

It may be clarified that whether T-GNA Network Access for a period of 11 months shall be considered as part of GNA or T-GNA.

#### 4. Revision of – TGNA:

Regulation 32 of the proposed Draft Regulations provides that under Advance Application, T-GNA up to 1 month cannot be revised irrespective of usage of transmission system, transmission charges will be applicable for complete 1 month period and also for T-GNA exceeding 1 month, 1 month notice is required and for the notice period T-GNA grantee is liable to pay transmission charges. It is submitted that this would not only lead to additional burden on the Discoms but also lead to sub-optimal utilization of transmission system by Discoms. Therefore, it is suggested that the revision of TGNA should be allowed in line with the present practice in the STOA i.e. 2 days advance notice and the transmission charges beyond 2 days for which the system has not been used by the applicant should be refunded.

### 5. Applicability of transmission charges for T-GNA

Regulations 34 of the draft regulation refers to the transmission charges to be paid by entities for T-GNA. It states that the Transmission charge rate for T-GNA,

shall be levied in Rs./MW/time block, for a State as published for each month by the Implementing Agency in terms of the Sharing Regulations. Proviso to Regulation 34.2 of the regulation states that under collective transactions, transmission charges for T-GNA shall be payable for drawl schedules more than GNA quantum or T-GNA quantum or both, as applicable. This implies that the effective cost of power through collective transactions due to levy of transmission charges will only be known afterwards which may impact the decision to participate in the market.

It is suggested that the above proviso be modified to exempt transmission charges for GNA grantees in line with existing practice and the charges over and above GNA+TGNA may be levied based on the methodology provided under sharing Regulations.

6. It may also be clarified that in case of exigencies e.g. tripping of largest generator in the State when Available transfer capacity (ATC) of state is enhanced by RLDC, so that state can draw more power to compensate the outage of within state generation, whether State will have the option to approach RLDC/NLDC for enhancing the T-GNA margin on real time basis.

This is for your information and necessary action, please

Superintending Engineer/ PR, PSPCL, Patiala.

CC:

- 1. EIC/PP&R, PSPCL for the information, please.
- 2. SE Tech to Dir/G, PSPCL for the information of Dir/G, PSPCL, please.
- 3. OSD/ Power Reforms, Chandigarh for information please.