

OUR COMMENTS

Question No. 1:

Whether Connectivity should be retained as a separate product:

(A) Yes (B) No

- Yes, connectivity should be retained as a separate product

Question No. 2(a)

If yes, what are in your opinion are the advantages of Connectivity as a separate product?

- With connectivity as a separate product the Generator shall be able to synchronise their unit with the grid without waiting for getting a customer. It will enable the generator to test their unit for performance test. Also it will enable the generator draw commissioning power.

Question No. 2(b)

If connectivity is retained as a separate product, then what whether it should be free or transmission charges should be borne by generator or drawee entity which is applying for connectivity?

- It should be chargeable and whosoever seeks connectivity shall pay the charges.

Question No. 2(c).

Whether for connectivity, only transmission charges corresponding to connectivity transmission system should be charged or some part of Grid transmission charges (25% as proposed) should also be charged?

- Grid charges equal to 25% of the normal grid transmission charge should be levied.

Question No. 3:

If no, what is in your opinion are the dis- advantages of Connectivity as a separate product?

Question No. 4: Bank Guarantee

What should be amount of sufficient construction bank guarantee to safe guard against the risk of stranded asset in case generating project fails to get commissioned?

(a) Is existing construction bank guarantee amount (Rs 5 lakh per MW) sufficient when transmission cost is about Rs 1 cr per MW.?

- The construction bank guarantee should not be more than 10% of the apportioned project cost for augmentation of transmission system as it is some short of contract performance guarantee between two parties. It should not be 5lakh or one cr/MW rather it should be related to apportioned project cost.

(b) Is proposed bank guarantees equivalent to cost of transmission line is sufficient?

- There is no question of sufficiency. It is as per law of the land

(c) Is proposed bank guarantees are very high?

Question No. 5: Bank Guarantee

What should be amount of sufficient construction bank guarantee to safe guard against the risk of stranded asset or transfer of liability to other consumer in case generating project wants to exit/ downscale LTA after commissioning (Please give justification for your views)

(a) NPV equivalent to 12 year transmission charges

- It is too high.

(b) NPV equivalent to 7 year transmission charges

- No logic is there for linking it to seven years NPV of Transmission charge.

(c) X Rs per MW of installed capacity –One time charge

- No logic is there for asking for one time compensation

(d) Five years Average Injection and withdrawal charges

- Why liability of withdrawal charge should be put on the generator?

(e) Five years Average injection charges only

- Seem reasonable as each year's transmission tariff is around 20% of the project cost and compensation can be at best for 100% of the project cost. This should also be payable each year and not upfront. Additional BG cover can be kept to safeguard against default. The moment a customer is found payment of this charge should be stopped.

Question No. 6: Delay in Commissioning

In case of delay in generating unit(s) /project:

(a) Date of LTA should be firm and no relaxation should be provided

- Delays not due to the fault of Generating Company should be allowed e.g due to order /rule issued by Govt of India instrumentality or of Change of law causing delay should be accommodated

(b) If information of delay is provided sufficiently in advance some staggered relief can be granted.

- It may not be possible to foresee delays sufficiently in advance. Always there lies an expectation that delay shall be covered. Delays are admitted only after it happens.

(c) Issue should be decided mutually between generating company and transmission licensee subject to condition that no burden is transferred to other users

- Yes, let it be decided mutually. Delay in the part of transmission licensee may also be there. It better if the two parties agree to it. In case generator is to be penalised of the delay, the transmission licensee should also be penalised for the delay.

Question No. 7: Shallow Connection vs Deep Connection:

(a) what is your view on shallow connection vs deep connection

- We are in favour of shallow connection.

(b) Shallow connection should be permitted to only Renewable generation or to both Renewable and conventional generators.

- Should be permitted to both renewable and conventional generators

(c) Under shallow connection system how transmission planning will be done and who shall bear the Grid level transmission charges

- Once the transmission planning is based on installed capacity the transmission utility shall construct the lines and recover the cost on usage basis.

Question No. 8:

a. Whether you are a injecting entity or Drawee entity or both?

- Injecting entity. Occasionally shall draw for start up

Question No. 9: GNA

a. What is your opinion on General Network Access (GNA) proposed by CEA?

- Not aware of GNA. Open access is mandated in law hence it should be adhered to.

b. Whether it should be adopted for transmission access and transmission charges?

- EA 2003 has to be amended if GNA has to be introduced.

c. What should be bank guarantees and Exit Charges under GNA mechanism?

- Bank Guarantee should be 10% of project cost and exit charges should be five years revenue

d. Whether it would be possible to plan transmission system to give assured access in all directions?

- No, it is not possible to give assured access in all directions.

Question No. 10: Transmission Planning:

- a. How Transmission planning in the country needs to be reviewed under present condition to take care of future need of robust transmission system?
 - **Transmission plans are to be reviewed by the CTU and CEA jointly.**
- b. Whether there is need for a separate Regulation for transmission planning to make it more participative?
 - **No separate regulation is needed**
- c. Whether transmission planning should mandatorily make margins available for short term power market?
 - **Since short term transactions are growing it cannot be categorised as occasional. Hence there is need to make margins for it in the transmission planning. Else, it would always endanger the grid**
- d. Whether transmission system planned by CEA /CTU need to be adequately explained from cost benefit point of view?
- e. Is there requirement of making submission of information related to transmission planning legally binding?
 - **No, it will unnecessarily increase litigation**

Question No. 11 : Utilization of Congestion charges

- a. Whether proposal of using congestion charges to reduce the long term ISTS transmission charges acceptable? Or
- b. Whether Congestion charges are to be utilized for creation of specific transmission assets for relieving the congestion? How should this be treated- as equity, loan or grant?
 - **It should be utilised as Loan to fund new projects to relieve congestion.**

Question No.12:

Transmission corridor allocation for Power market:

- a. Whether participants of Power exchanges should be allowed to participate in e-bidding for transmission corridor? or
- b. For power market development, certain quantum of corridor may be reserved for power market with all participant of Power Exchange sharing the transmission charges of reserved corridor.
 - **Reservation of corridor is not recommended. The participants may e-bid for the corridor to gain utilisation rights.**