



एन टी पी सी लिमिटेड
(भारत सरकार का उद्यम)

NTPC Limited
(A Govt. of India Enterprise)

कन्द्रीय कार्यालय / Corporate Centre

NTPC Ref: 01:CD :717:

Dated : 30-04-2015

To

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

Sub: Comments on Draft Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Fourth Amendment) Regulations, 2015.
&
Draft Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) (First Amendment) Regulations, 2015.

Madam

This has reference to the public notice issued on 16.04.2015 on the above mentioned subject posted on CERC's web-site requesting for comments / suggestions / objections.

Our comments/suggestions are enclosed herewith for your kind consideration.

Thanking You.

Yours faithfully

(Rajnish Bhagat)
GM (Commercial)

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Encl: Comments on Draft Amendments Regulations (5 pages)

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Comments on:

Draft Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Fourth Amendment) Regulations, 2015.

&

Draft Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) (First Amendment) Regulations, 2015.

A. Preliminary Submissions

The proposed amendments in the Regulations seek to enable the Solar Power Park Developers(SPPD) to apply Connectivity and LTA to CTU on behalf of Solar Power Generators(SPG) , and has been on the premise that

- i) In the agreements of power supply between Solar Power Generators (SPG) and the buyers/beneficiaries, SPG has assumed the responsibility of delivery of power at ISTS network.
- ii) The power from the SPG is to be sold to other States besides the home state.

The above is not the case always. In the agreement signed between NTPC and Discom of AP on 24th April 2015 for NTPC Solar Generating Station at Anantapur Solar Power Park in AP., NTPC would deliver power at 33kV inter-connection point and power evacuation of the same is to be arranged by the beneficiaries i.e. Discoms.

Incidentally, the issue of Connectivity and LTA by SPPD has arisen from Anantapur Solar Power Park where NTPC is one of the SPGs in the Solar power park. Having above mentioned power sale arrangement, it is therefore required that proposed amendment ought to incorporate all the situations/eventualities. The framing of Regulations may take into account the ground realities and prevalent practices.

1. Solar Power Park Developer (SPPD) has been envisaged to facilitate centralised co-ordination for development of land, road and other infrastructure work, like development of pooling station and inter-connection of Solar Power Generation (SPG) with pooling Station as per MNRE letter dated 12th Dec 2014. Therefore, Solar Power Park Developers need to be allowed or authorised by Central Government to apply for Connectivity on behalf of those generators who wish to sell power outside home state or on behalf of those beneficiaries who wish to draw the power through ISTS Network. Once the pooling infrastructure has been developed by Solar Power Park Developers, SPPD need to enter into separate agreement with those entities who wish to use ISTS network for either selling the power or drawl of power for realizing SPPD's cost towards development of pooling stations. Other-wise, these charges are to be borne by the SPPD through some grant from State/Central government. It is pertinent to mention that in present tariff

structure, transmission charges and losses are not being included in the generic tariff determined by CERC for RE generators.

2. Further, as per Clause (3), subsection(a) of Section 28 of Electricity Act-2003, the functions of RLDC are as under:

“ (3) The Regional Load Despatch Centre shall -
(a) be responsible for optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region;...”

Also as per as per Clause (2), sub-section (a) of Section 32 of Electricity Act-2003. the functions of SLDC are as under:

“(2) The State Load Despatch Centre shall -
(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;”

Under the proposed amendment, the SPPD would undertake scheduling activities with RLDC on behalf of generators. The generation schedule received from RLDC would be further communicated by SPPDs to SPGs. In case of lesser schedule than the DC, apportionment of the same would be done by SPPD. Similarly, the settlement in respect of deviation from the schedule within the solar park, issuance of energy account for entities within solar park, would also be done by SPPD. The scheduling and dispatch function are the prime responsibilities of RLDCs/SLDCs as per Electricity Act-2003 and these statutory functions need not be transferred to any other agency such as Solar Power Park Developer (as in the proposed Regulation) which have not been identified in the Act. This would otherwise be leading to an anomalous situation. Hon'ble Commission would need to issue Regulations/Rules for such apportionment of scheduling/deviation settlement, otherwise disputes related to energy accounting/deviation settlement may arise.

B. Connectivity Regulations:

In the above backdrop, our comments on 5th amendment on CERC (Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulation-2009 are as follows:

a) Proposed Amendments

i) Amendment to Regulation 2 of the Principal Regulations:-

(1) The following provisions shall be added after sub-clause (b) (i)(e) of clause (1) of Regulation 2 of the Principal Regulations, namely :

"(f) Any company designated by the Central Government as Solar Power Park Developer;"

ii) Amendment to **Regulation 8 of the Principal Regulations**:-

The following provision has been proposed to be added after third proviso to Clause (1) of Regulation 8 of the Principal Regulations:

"Provided also that the application by the applicant defined under Regulation 2(1) (b)(i) (f) shall be considered by CTU only if the Solar Power Park Developer is authorised by the Central Government to undertake infrastructural activities including arrangement for connectivity on behalf of the solar power generators and all operational and commercial responsibilities for the renewable energy generating station(s) in following the provisions of the Indian Electricity Grid Code and all other regulations of the Commission, such as grid security, scheduling and dispatch, collection and payment/adjustment of Transmission charges and losses, UI charges, congestion and other charges etc., and submit the documents to that effect to the CTU, along with the application for connectivity, with copy to the respective RLDC in whose control area it is located."

NTPC Comments

The Solar Power Park developer would need to take license in case pooling substation is to be owned by it, however licensing would not be an issue in case STU owns the same. Since in either case, there would be a transmission licensee in the intervening facility, the SPPD can not apply connectivity as per 2nd proviso of CERC (Grant of Connectivity, Long-term Access and Medium Term open access in inter-state transmission and related matters) Regulation, 2009. Therefore, there is a need to define this entity who is neither a generator nor a Discom but working only as a facilitator for connecting pooling station with ISTS on one side and connecting with RE generators on other side but would need transmission license to own the pooling station. There is a need to differentiate between a normal transmission licensee and SPPD licensee whose role will be limited within solar park and need not be given any other mandate of establishing any pooling station outside solar park. **Accordingly, 2nd proviso to connectivity regulation may also be amended.**

Operational & Commercial Role of SPPD

As stated in preliminary submission above, the scheduling and dispatch function are the main responsibilities of RLDCs/SLDCs as per Electricity Act-2003 and these statutory functions in full or part need not be transferred to any third agency such as i.e. Solar-park developers. The scheduling, dispatch functions including issuance of UI etc. need to be performed by RLDC/SLDC only based on control area jurisdiction. It is also vital for large scale integration of renewable energy and its impact on Grid security on a national level which would require that these functions are not transferred or taken away from the SLDCs/RLDCs.

Accordingly following proviso as mentioned under Regulation 8 may please be modified as follows:

*“Provided also that the application by the applicant defined under Regulation 2(1) (b)(i) (f) shall be considered by CTU only if the Solar Power Park Developer is authorised by the Central Government to undertake infrastructural activities including arrangement for connectivity on behalf of the **solar power generators who wish to sell their power outside the State** and will be responsible for following regulations of the Commission in regard to grid security, , collection and payment/adjustment of Transmission charges and losses, congestion and other charges etc., and submit the documents to that effect to the CTU, along with the application for connectivity, with copy to the respective RLDC in whose control area it is located.”*

b.) Proposed Amendments

Amendment to Regulation 2 of the Principal Regulations:- The following has been proposed to be added

“(2) Sub-clause (iii) shall be added after sub-clause (ii) of clause (1) of Regulation 2 of the Principal Regulations as under:

“(iii) Any company designated by the Central Government as Solar Power Park Developer, in respect of long term access;”

NTPC Comments

The evacuation/LTA agreement for the quantum of power to be sold outside the State using ISTS, depending upon the PPAs entered for such sale of power would need to be co-ordinated by the Solar Power Park Developer. In such cases, the SPPD may apply and obtain LTA collectively for the SPGs and/or on behalf of beneficiaries i.e. Discom who wish to use ISTS for evacuation/drawl of power in accordance with provisions of respective PPAs related to point of sale. Accordingly, the following proviso may please be added after 5th proviso to Clause (1) of Regulation 12 of Principal Regulations:

“Provided also that the application by the applicant defined under Regulation 2(1) (b)(iii) shall be considered by CTU only if the Solar Power Park Developer is authorised by the Central Government to undertake infrastructural activities including arrangement for LTA on behalf of the solar power beneficiaries or based on target regions and all commercial responsibilities of the renewable energy generating station’s beneficiaries in following the provisions of the all other regulations of the Commission, such as collection and payment/adjustment of Transmission charges and losses, UI charges, congestion and other charges etc., and submit the documents to that effect to the CTU, along with the application for LTA, with copy to the respective RLDC in whose control area it is located.”

C) **Additional Suggestions to be incorporated**

Amendments proposed herein may have to be given effect into other relevant Regulations such as 2nd proviso of Regulation (3) and 2nd proviso of clause (8) of Regulation (8) of Connectivity Regulations to include Solar Park Power developer.

Comments on:

Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) (First Amendment) Regulations, 2015.

Proposed Amendment

Amendment to Regulation 3 of the Principal Regulations:

(1) A new sub-clause (iii) shall be inserted after sub-clause (ii) of clause 1 of Regulation 3 of the Principal Regulations as under:

“(iii) ISTS Scheme proposed by CTU, for which the Central Government designated Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the Solar Project Developers to be set up in the Solar Park.”

NTPC COMMENT

The above paragraph may be modified as

“(iii) ISTS Scheme proposed by CTU, for which the Central Government designated Solar Power Park Developer has sought long term access, and for which consultation with CEA and beneficiaries wherever identified has been held for setting up the ISTS scheme and the Solar Power Park Developer undertakes to bear all liabilities on behalf of the beneficiaries of the Solar Projects to be set up in the Solar Park.”

The above correction has been proposed based on facts that Solar Park Generators such as NTPC at Anantapur in Andhra Pradesh have signed the PPA for delivery of power at ex-bus (i.e. inter-connection point which is line isolator on outgoing feeder on HV side of the pooling sub-station as defined in CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2012). of Solar Power Plant Switchgear Terminal and it is the responsibility of beneficiaries to arrange the requirement for evacuation of power from Generator ex bus onward.