



# JINDAL INDIA THERMAL POWER LIMITED

REGD. OFF.: PLOT NO. 12, LOCAL SHOPPING COMPLEX, SECTOR B-1  
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Ref. No. JITPL/CERC/15112016

Date: 15.11.2016

To  
The Secretary  
Central Electricity Regulatory Commission  
4<sup>th</sup> Floor, Chanderlok Building,  
36, Janpath,  
New Delhi-110001  
Phone:No. 011-23353503/Fax.:011-3753923

Kind Attn.: Ms Shubha Sarma

Subject: Comments/suggestions/objections on draft CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Sixth Amendment) Regulations, 2016 and Draft CERC (Sharing of inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016.

Dear Madam,

This is with reference to the public notice issued by Hon'ble commission on dated 28.10.2016 vide No. : L-1/(3)/2009-CERC & L-1/44/2010-CERC inviting comments / suggestions / objections from the stakeholders and interested persons on the draft regulations.

We are submitting our comments/suggestions/objections enclosed herewith the letter as follows:

**Annexure 1** - Comments/suggestions/objections on draft CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Sixth Amendment) Regulations, 2016)

**Annexure 2** - Comments/suggestions/objections on draft CERC (Sharing of inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016

Yours Faithfully

For Jindal India Thermal Power Limited

(Authorised signatory)





**Comments on CERC (Grant of Connectivity, Long-term Access & Medium Term Open Access in Inter-state Transmission & related matters.**

Sr No	Amendment	Comment
1	<p>Regulation 8 of the Principal Regulations shall be substituted as under:</p> <p>"(8) The dedicated transmission line from generating station of the generating company to the pooling station of the transmission licensee (including deemed transmission licensee) shall be developed, owned and operated by the applicant generating Company.</p> <p>(a) The transmission charges for such dedicated transmission lines shall be payable by the concerned generating company to the transmission licensee (including deemed transmission licensee) from the date of COD of the dedicated line till operationalization of LTA of the generating station of the generating company."</p> <p>(b) after operationalization of the LTA, the dedicated transmission line shall be included in the POC pool and payment of transmission charges for the said dedicated transmission line shall be governed as per the CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time."</p>	<p>The dedicated transmission line being constructed by the CTU should be considered as a part of POC from the COD of the transmission line instead of the operationalization of LTA.</p> <p><b>Rationale for changes:</b> As per the sub clause (c) of clause 1 of regulation 7 of Sharing of ISTS Charges &amp; Regulations, 2010 –</p> <p>"The dedicated transmission lines constructed, owned and operated by the ISTS Licensees shall be considered to be a part of the Basic Network...."</p> <p>Thus, the dedicated transmission lines which have already been constructed/are under construction by CTU under coordinated transmission planning shall form part of PoC pool for its recovery of tariff from its COD. Its recovery of tariff should be delinked from the generator even till operationalization of generator's LTA.</p> <p><b>Please modify the clause as below:</b></p> <p>(a) after <del>operationalisation of the LTA</del> COD of the dedicated line, the dedicated transmission line shall be included in the POC pool and payment of transmission charges for the said dedicated transmission line shall be governed as per the CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time."</p>
2.	<p>Clause (2) of Regulation 9 of the Principal regulations, the words "or the transmission system under execution" shall be deleted.</p>	<p>In prevailing regulations MTOA shall be granted to the applicants in view of existing transmission system as well as on the transmission system under execution.</p> <p>We understand it is difficult for CTU to decide ATC, but if transmission system under execution deleted from the regulation, it would be impossible for a generator to even get a hope to get MTOA, if the margin is not available in existing transmission system and MTOA would not be granted based on under execution transmission system.</p> <p>Therefore, we request not to delete words "or the transmission system under execution" from the regulations</p>





Comments on CERC Draft (Sharing of Inter State Transmission Charges & Losses) Regulations

<u>Sr No</u>	<u>Amendment</u>	<u>Comments</u>
<u>1</u>	<p>Sub-clause (q) of Clause (I) of Regulation 7 of the Principal Regulations:</p> <p>"1. Additionally, Reliability Support Charge shall also be payable by a DIC for the quantum of Connectivity granted by CTU from the date of physical Connection to ISTS including the case where DIC is not availing any LTA / MTOA provided that the total quantum for the purpose of Reliability Charge shall not exceed the quantum of Connectivity granted to a DIC:</p> <p>2. Provided further that if Connectivity has been sought in a phased manner, Reliability charges shall be billed accordingly:</p> <p>Provided also that Reliability Support Charge paid by a DIC under STOA shall be off-set against the quantum covered under Connectivity."</p>	<p>This amendment should be deleted due to the following reasons –</p> <p>1. It would be inappropriate to bring the Reliability support charges after the connectivity has been sought. At the time of application of connectivity, there was no provision for reliability support charges. These charges will put extra burden to the generators already on verge of becoming Non-performing Assets.</p> <p>2. It is pertinent to mention that there have very few long term tenders floated by discoms in the market and in various cases, even after the finalization of the tendering process, the Lol's have not been issued.</p> <p>The short term prices in the market have reached an all time low with supply far exceeding the demand. All these circumstances have led to a situation where in the generator is either compelled to sale the power at sub optimal prices in Short term market or take a shut down.</p> <p>Thus this is unjust burden on the generator with the additional reliability charges.</p> <p><b>Please delete this clause.</b></p>
<u>2.</u>	<p><b>Fourth proviso to Clause (5) to Regulation 8 of Principal Regulations shall be substituted as under:</b></p> <p>"Provided also that during the period when a generating station draws start-up power or injects infirm power before commencement of LTA, withdrawal or injection charges corresponding to the</p>	<p>Drawal of start up power or injection of infirm power is by virtue of the natural operation of the power plant. It is not a intended transaction neither it is scheduled and a fraction of a single unit at a plant and is very rare phenomenon. It is suggested to waive off POC charges for such drawal and injection.</p>





	<p>actual injection or withdrawal shall be payable by the generating station and such amount received shall be reimbursed to the DICs in the following month, in proportion to the monthly billing of the respective month."</p>	
3.	<p>Regulation 9 of the Principal Regulations: (1) Sub-clause (l) of Regulation 9 of the Principal Regulations shall be substituted as under:</p> <p>"(1)The transmission charges for MTOA customers who are not availing LTA to target region for the capacity under MTOA shall be charged 1.25 times of the LTA POC rates as notified by the Commission from time to time.</p> <p>(2) The transmission charges for STOA customers who are not availing LTA to target region for the capacity under STOA shall be charged 1.35 times of the normal STOA POC rates as notified by the Commission from time to time. Provided that the surplus charges collected under above clauses shall be reimbursed back to DICs paying charges under first bill in the next month.</p>	<p><b>This amendment would bring additional financial implication to the generators who are already forced to sell their power at sub optimal prices in short term, due to non-availability of long term tenders by discoms in the market, and due to same reason, the generators are compelled to relinquish their LTA quantum &amp; sell the capacity in STOA at lowest prices.</b></p> <p><b>The inherent function of CTU in Electricity Act 2003 : Section 38 (2) (c) "to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres"</b></p> <p>Therefore, it is requested from Hon'ble Commission to direct the CTU to undertake Transmission planning for STOA/power exchange/ or based on the demand of the utilities/consumers, rather than bringing additional financial implications upon the generators who are already debt ridden, by charging them multiple times.</p> <p><b>The Hon'ble Commission in its SOR for the draft amendment has already mentioned the decline in Short term prices in the Power market. The trend is likely to continue with more generation coming up &amp; supply exceeding the demand.</b></p> <p><b>Please delete this clause.</b></p>
3	<p>Second proviso to clause (5) of Regulation 11 of the Principal Regulations shall be substituted as under: "Provided further that while billing transmission charges for next month, the quantum of Medium-term Open Access to any region shall be</p>	<p>The offset being given for the LTA charges, as provided in the example, is calculated on MW basis. However, we suggest that the offset should in Rupees terms.</p> <p>Rationale for suggestion:</p>



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<p>adjusted against the quantum of Long-term Access to the target region without identified beneficiaries limited upto quantum of Long Term Access:"</p> <p>As presented in the example for clarity in the SOR – DIC "A" has LTA of 500 MW from WR to SR (Target Region). PoC Injection Rates (PoC + Rel. Supp. Charges + HVDC Charges) applicable to this DIC is Rs. 150000/- Per MW per Month. DIC will pay Rs. 75000000/-. In case DIC identifies beneficiary through MTOA for 200 MW and withdrawal rate of beneficiary identified is Rs. 200000/- Per MW per Month, then charges collected for MTOA of 200 MW from DIC is Rs. 40000000/-. In next month bill the DIC having LTA to target region have to pay PoC Charges for balance quantum of 300 MW after offsetting the quantum of MTOA of 200 MW @Rs. 150000 / MW i.e. next month's bill under LTA will be Rs. 45000000/-.</p>	<p>As can be seen from the example, the applicable LTA charges on the DIC are Rs.7.5 Cr. The MTOA charges for the DIC are Rs. 4.0 Cr.</p> <p>the offset being given to generator is (a) MW basis (as per the amendment) While as per the example, offset for MTOA being provided is of Rs 3.0 crores (Rs 7.5 Crores – Rs 4.5 crores) We suggest the offset should be on Rupees basis (b) On Rupees basis (Suggested): the offset should be provided for Rs. 3.5 Crores (Rs 7.5 Crores – Rs 4.0 crores).</p> <p>Thus, the clause may be amended as –</p> <p>Second proviso to clause (5) of Regulation 11 of the Principal Regulations shall be substituted as under: "Provided further that while billing transmission charges for next month, the quantum the charges of Medium-term Open Access to any region shall be adjusted against the quantum the charges of Long-term Access to the target region without identified beneficiaries limited upto quantum of Long Term Access:"</p> <p>The same is required to be followed in other provisions (Regulation (9) clause 9 first, second and third proviso) while offsetting short term charges and medium term charges from Long term charges.</p>
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