



NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

Date 15.11.2016

To,

The Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building
36, Janpath, New Delhi – 110001
Tel No. 011- 23353503

Subject: Comments on Draft Central Electricity Regulatory Commission (Sharing of inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016.

Dear Sir,

*16083/16
15-11-16*
Chief Energy
National Solar Energy Federation of India (NSEFI) is an umbrella association having members across entire value chain of solar energy industry. The federation is working very closely and is involved in policy advocacy for solar energy industry with an objective to make it truly globally competitive. Founded in 2013 by Solar Energy industry leaders with a vision to promote solar energy, NSEFI is a public trust based in New Delhi. We are committed to promote solar energy by advancing solar friendly policy making and spreading awareness about solar energy.

In reference to the above, we are submitting herewith our comments/ suggestion on Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016.

Thanking You,

Yours Sincerely

R.K. Sharma
R.K. Sharma
(Hony. Secretary, NSEFI)

Sl. No	Draft amendment	Suggestion	Rationale
1	<p>Amendment to the Regulation 7 (2) of the Principal Regulations:</p> <p>(2) A New Sub clause (y) to Clause (1) to Regulation 7 of Principal Regulations shall be added as under:</p> <p>"No transmission charges and losses for the use of ISTS network shall be attributed to wind based generation for the projects awarded through competitive bidding and commissioned till 31.3.2019. This shall be applicable for a period of 25 years from the date of commissioning of such projects.</p> <p>Provided that such waiver will be available only for the projects entering into Power Purchase Agreements (PPAs) for sale of electricity to the Distribution Companies for compliance of their renewable purchase obligation."</p>	<p>We suggest to amend the sub clause (v) to clause (1) to Regulation 7 of Principal Regulations as under:</p> <p>"No transmission charges and losses for the use of ISTS network shall be attributed to Solar based generation for the projects awarded through competitive bidding and commissioned till 31.3.2022. This shall be applicable for a period of 25 years from the date of commissioning of such projects."</p>	<p><u>Discrimination among the Solar & Wind based generation:</u></p> <p>There should not be any discrimination among the Solar & Wind based generation and similar dispensation should be allowed to solar energy.</p> <p>Earlier, discrimination was there and such waiver allowed only solar based generation till 30.6.2017. Therefore, Tariff Policy notified on 28.01.2016 provides at para 6.4 (6) as follows:</p> <p><i>"In order to further encourage renewable sources of energy, no inter-State transmission charges and losses may be levied till such period as may be notified by the Central Government on transmission of the electricity generated from solar and wind sources of energy through inter-state transmission system for sale"</i></p> <p>As mandated, Central Government issued a Notification dated 14.09.2016 in this regard and such dispensation also extended to wind based generation. However, the said notification not extended such waiver to Solar power project commissioned beyond 30.06.2017.</p> <p>Such discrimination among wind and solar based generation was not the intention of the Government; otherwise, it could have been specifically stated in the Tariff Policy.</p> <p><u>Solar Power Projects being set-up on fertile land</u></p> <p>It's a responsibility of the Hon'ble Commission to promote inter-State sale of solar power by setting up such projects in Solar resource rich States like Rajasthan & Gujarat, where abundant barren land are available to other resource deficit states where states are as on date setting up projects on fertile land. According to us it would be a criminal offence to put a solar project on the fertile land.</p> <p>Low solar resource States. (North East, West Bengal, Himachal, J&K,</p>



Uttaranchal) and densely populated states (New Delhi, Haryana, UTs etc), are mandated to comply with RPO as per the Tariff Policy. Investment on project to be set in those States and that effort may be futile given either the projects will never come up or shall be at significantly high Tariff. ISTS connected Solar Plants from Solar Resource and Barren Land rich States is most optimal solution for them.

For Wind, the concept of ISTS based power plants is already being promoted. Recently a tender has been floated for 1000 MW of such capacity to enable most efficient Wind Sites generate lowest cost power and supplied through ISTS to RPO deficit States. Similar concept need to be followed for Solar as well.

If the waiver of the transmission charges and losses not extended to projects commissioned after 30.06.2017, it would increase the landed cost of such power to the beneficiary states. Distribution Licensees of majority States, having fragile financial health would avoid such procurement impacting their financials may derail the Government of India's target.

Fate of Success of Solar Parks

The Ministry of New & Renewable Energy (MNRE), Government of India, in December, 2014 issued Scheme for setting up at least 25 solar parks each with a capacity of 500 MW and above with a target of over 20,000 MW of solar power installed capacity in a span of 5 years from 2014-15 to 2018-19. Out of 20,000 MW, major stakes are from the states like Rajasthan, Madhya Pradesh and Gujarat with a capacity of 3351 MW, 2750 MW and 700 MW respectively.

Since states like, Gujarat and Rajasthan are fulfilling their Solar Power Purchase Obligation (SPPO), this solar resource rich states are not willing to buy more than their SPPO target. Such power is require to be transmitted to other States.

Based on existing provision, the CTU Connected solar power projects in solar resource rich states would be able to sale of power to other Non-Solar resource rich states at the same cost of generation in the solar



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resources rich state. The landed cost of solar power will be increased, if inter-state transmission charges and losses would be levied on transmission of electricity through the Solar Power Projects.

However, not extending the waiver of inter-state transmission charges and losses beyond 30.06.2017, would have impact on the upcoming solar power parks in such States. Due to that it would be difficult to attract an investment in the upcoming solar park and the flagship scheme of MNRE to achieve a target of 20,000 MW solar power form solar park may be failed.

Time line for waiver of Transmission Charges & Losses for solar park projects

As mentioned above, the MNRE, in December, 2014 issued Scheme for setting up at least 25 solar parks with a target of over 20,000 MW of solar power installed capacity in a span of 5 years from 2014-15 to 2018-19. Adani Renewable Energy Park (Rajasthan) Limited (AREPRL) decided to set up such parks immediately and conceived two parks in Rajasthan along with Rajasthan Renewable Energy Corporation under PPP model took almost an year for various permissions and approval. It had applied for connectivity and LTA with CTU immediately thereafter.

Sr. No.	Name of solar park	Date of application for LTA & Connectivity to CTU/ LTAA & TSA signed	Expected date of completion of evacuation system by CTU
1	250 MW AREPRL - Bhadla, Rajasthan	31.10.2015 LTAA and TSA signed with CTU on 11.5.2016	The intimation letter from CTU dated 7.04.2016 states that the target commissioning schedule of Transmission system associated with this solar park may be taken as progressively from December 2017 & accordingly



