

RSWM:BSW:DY.COO(C):16-17: 2109  
November 12, 2016

The Honourable Secretary  
Central Electricity Regulatory Commission  
Delhi

Dear Sir,

Sub: Comments on draft CERC (Sharing of Inter State Transmission Charges and Losses)  
(Fifth Amendment) Regulations, 2016

Dear Sir,

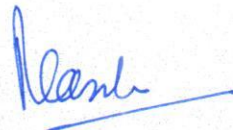
We, RSWM Ltd, a textile manufacturing company having plants in various part of Rajasthan. We are consumer of around 60 MW power on round the clock capacity. We have 46 MW Thermal Power generation and 20 MW Wind Power generation capacities in operation in the state of Rajasthan. We also started installation of Roof Top Solar Power plants at various manufactories for commitments towards environment.

Part of power requirement being sourced through interstate transaction from platform of IEX and regularly paying prescribed charges for transactions.

We have gone through draft CERC (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016 and shocked to know about proposed increase in charges to the tune of 25% to 35% on MTOA and STOA. Surly this will be in addition to increase in STU charges

Please note that State Government has imposed additional surcharge @ Rs 0.80 per unit on all open access consumers except captive intra state open access. State Government has further proposed a levy of cross subsidy surcharge on open access consumers and many other restrictions have been imposed on interstate power transactions and energy account in "New Open Access Regulation 2016". All these are against nation's power reform policy. Industry is already suffering from the cost of poor quality (COPQ) of DSICOM's arrangements and controls.

Under these circumstances, CERC's proposal of increasing charges will be adding fuel to fire and interstate transaction will further become unviable.



(Formerly Rajasthan Spinning & Weaving Mills Limited)

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**Corporate Identification Number : L17115RJ1960PLC008216**

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In this regard, we hereby submit following matters for consideration before taking decision of increasing charges :

- a. No investment is made for providing capacity to STOA & MTOA and capacity provided for MTOA & STOA is only because of the margin available due to variation in power flows and in-built spare transmission capacity. MTOA & STOA is helping in achieving better capacity utilization, hence it should be incentivized.
- b. The capacity allocation priority is given to LTA, MTOA & STOA participants in the same order. The risk of curtailment to STOA transactions is the highest as compared to MTOA and LTOA participants. Curtailment leads to loss of generation & production to the participants.
- c. There is a possibility that with increase in the MTOA/STOA charges, OA will become unviable in some more states and efficient utilization of Transmission assets will go down. Already OA has become unviable in many states due to increase in CSS, AS and other related charges as explained above.
- d. The prices in short term market today are at lowest levels. Generating stations are not recovering total cost of generation in many cases. The generators who are selling power in short term market using STOA are selling as no other option is available. No new tenders for power procurement under LT PPA are available. Hence STOA is not responsible for under building of transmission capacity.
- e. Increasing charges for MTOA & STOA are not directly helping building of transmission capacity as these charges are returned to LTA consumers. Excess revenue collected is distributed to all DICs in proportion to their LTA quantum which means that additional revenue is not used for building of transmission capacity.

In view of above, we request you to please review the proposal and help industry and system to be utilised fully.

Thanking you,

Yours faithfully,  
For RSWM Limited



(N. K. Bahedia)  
Dy. Chief Operating Officer (Commercial)

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