TATA POWER-DDL

TPDDL/PMG/CERC/11112016

Dated 11th November 2016

Ms. Shubha Sarma,
Secretary,
Central Electricity Regulatory Commission,
3rd & 4th Floor,
Chandrlok Building,
36, Janpath, New Delhi-110001,

Subject: Comments invited by Hob;ble CERC in the matter of Draft Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016.

Dear Madam,

We write in reference to the public notice issued by Hon'ble CERC vide notification number L-1/(3)/2009-CERC & L-1/44/2010-CERC dated 28th October 2016, wherein comments / suggestions / objections were invited from the stakeholders and interested persons on the draft regulations regarding the subject matter.

In line with the same please find attached a copy of the TPDDL comments/Suggestions on the subject matter along with this letter for your kind perusal.

Thanking You.

Yours Sincerely,
For Tata Power Delhi Distribution Ltd.

11/11/2016

Ashis Kumar Dutta
HoD (Power Management Group)

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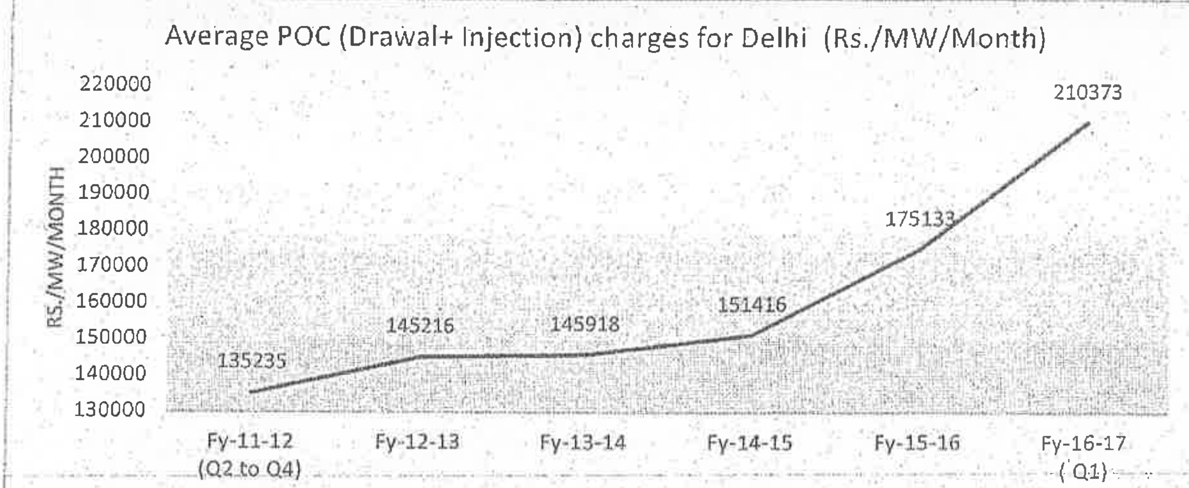
Enclosures:

1. Annexure 1- Copy of TPDDL Comments/Suggestions.

TPDDL Comments on Draft Notification of "Sharing of Interstate Transmission Charges and losses" (Fifth Amendment) Regulations, 2016.

Introduction: Tata Power Delhi Distribution Limited (TPDDL) is a joint venture of the Tata Power Company Limited and the Delhi Power Company Ltd. (a fully owned company of Government of NCT of Delhi "GNCTD") with majority shareholding of 51% being with Tata Power Company Limited. Delhi Electricity Regulatory Commission (DERC) vide its order dated 31.03.2007 reassigned all the existing PPAs with DTL, to distribution licensees including TPDDL as per their load profile and accordingly, the Petitioner with effect from 01.04.2007 has been procuring electricity from such generating units, central generating stations and other generating stations.

Over a period of last few years, with the capacity addition in the transmission sector, Transmission charges have also increased significantly. Currently main challenges being faced by TPDDL is ever increasing transmission tariff which has become a significant portion of the power purchase cost. Since the beginning of PoC regime (1st July 2011) till June 2016, the applicable total transmission charges (Rs./MW/Month) for Delhi as a whole have increased by around 55.56%. (At a CAGR of 9.24%). In the same period the monthly Transmission Charges bill amount raised by PGCIL to TPDDL has increased by around 78.88 % (At a CAGR of 17.79%). The graphical representation of the same has been appended below:



CAGR OF 9.24 %

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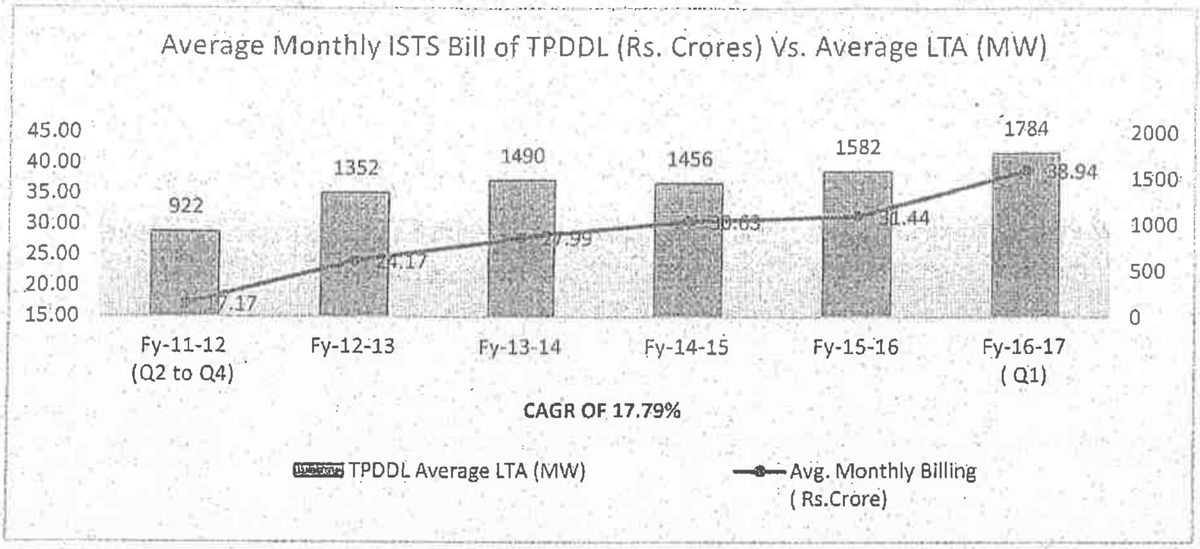

4. Amendment to Regulation 9 of the Principal Regulations:

"Quote"

Proposed Amendments:

(1) Sub-clause (I) of Regulation 9 of the Principal Regulations shall be substituted as under:

> *"(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.*
>
> *(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.*

TPDDL Comments/ Suggestions:

A higher MTOA rate of 125% has been proposed for DICs **not having LTA to target region**. For instance take the case of an IPP/Generator having a capacity of 1320 MW and target LTA of, say, 500 MW. Kindly appreciate that for such a Generator, connectivity line have a transfer capacity of 1320 MW up to pooling station. Beyond the pooling station most probably CTU will plan a system capable of evacuating 1320 MW otherwise there will be frequent complaints of Congestion & Market splitting. As a result the generator will be able to get a transmission system capable of handling its full capacity (1320 MW) even if it is liable to pay transmission charges only to the extent of 500 MW for which it is availing LTA. For remaining capacity it will pay MTOA/STOA charges only when it actually schedules power. This tantamounts to gaming and avoiding the servicing of the sunk investment done in ISTS for that Generator. The burden of transmission charges underpaid by the generator would be socialized on other LTA holders like TPDDL. Hence, TPDDL opposes to allow the possibility of any Gaming by such Generators. Further, it would be pertinent to mention that peak injection by a Generator is generally equal to its installed capacity less auxiliary and there is no uncertainty about it. On the other hand Discoms like TPDDL have to constantly reassess its peak drawl requirement from ISTS because the demand of a Discom is a dynamically varying figure.

Therefore, it is submitted that any generator connected to ISTS, whether private or CSGS, should be mandated to avail LTA (Target/Point to point as the case may be) corresponding to its installed capacity (IC) or ex-bus Installed capacity.

Accordingly the proposed amendment in Sub-clause (I) of Regulation 9 of the Principal Regulations (both the provisions 1 and 2 as mentioned above) need to be revisited by the commission disallowing any flexibility to all the generators (IPP,CSGS etc.) in availing LTA lower than its Installed Capacity (IC)/Ex-Bus Installed Capacity (IC). The flexibility granted under both the provisions 1 and 2 as mentioned above should be applicable for Drawl DICs only. Where the demand pattern keeps on varying due to multiple factors like weather, Govt. policies etc.

Further to above, it is the view of TPDDL that Discoms and other Drawl DICs may be allowed to avail MTOA/STOA at normal rates up to 120% of their "Approved withdrawal" (MW). This is to provide flexibility to Discoms to meet its varying consumer demand under various contingency situations and to enable them to adopt merit order dispatch considering the prices of electricity in the open market. However, beyond 120% of their "Approved withdrawal" (MW), the Discoms/Drawal DICs may be charged at the rate of 125% of the normal POC withdrawal rates for excess drawl under MTOA and at the rate of 135% of the normal POC withdrawal rates for excess drawl under STOA.

In this regard we would like to bring to the notice of Hon;ble commission that certain states like Punjab, Haryana, Chandigarh and Rajasthan are importing huge quantum of power under MTOA/STOA in addition to their approved withdrawal and the same amounts to a drawl from ISTS as high as 160% of their " approved withdrawal" on many occasions. This tantamounts to gaming for avoiding the payment of LTOA charges while getting additional ISTS capacity being created for them through the so called process of Co-Ordinated planning. The commission may kindly give directions to the CTU to create such import capacity in ISTS only if there is a

TATA POWER DELHI DISTRIBUTION LIMITED NEW DELHI matching increase in the commitment to pay LTA charges by such states under the BPTA with the CTU.

4.4 Amendment to Clause (9) to Regulation 11 of the Principal Regulations:

"Quote"

Proposed Amendments:

First, Second and third proviso to clause (9) of Regulation 11 of the Principal Regulations shall be substituted as under:

> *"Provided that a DIC which has been granted LTA to a target region and is paying injection charges for Long Term Access avails Short Term Open Access to any region, the quantum of Short Term Open Access shall be adjusted in the following month against the quantum of Long Term Access to Target region limited to quantum of Long Term Access to the extent of the quantum for which DIC has paid charges.*
>
> *Provided further that a DIC, who has been granted Long-term Access to a target region, shall be required to pay PoC injection/ withdrawal charge for the Approved Injection /Withdrawal for the remaining quantum after offsetting the quantum for Medium-term Open Access, and Short-term open access to the extent of the quantum for which DIC has paid charges.*
>
> *Provided also that the Withdrawal PoC charges paid by DIC towards Short term open access given to a DIC shall be offset against the corresponding Withdrawal PoC charges to be paid by the Withdrawal DICs for Approved withdrawal limited to difference of Approved Withdrawal and Net withdrawal (load minus own injection) considered in base case, if Approved withdrawal is less than the Net Withdrawal:"*

TPDDL Comments/Suggestions:

We welcome the proposed amendments to first, second and third proviso to clause (9) of Regulation 11 of the Principal Regulations. Vide above provisions the Hon;ble Commission has facilitated the target LTA holders not having identified long term buyers to get the offset of charges paid under MTOA/STOA against their committed LTOA charges towards any target region. This flexibility is required in a competitive market scenario to enable buyers as well as sellers to optimize their cost of procurement or sale revenue as the case may be. The same **principle of providing 100% offset to target LTA holders** (in lieu of MTOA/STOA), needs to be extended to DICs having point to point LTAs otherwise it will result in inequity and discrimination in the LTA category. Therefore , TPDDL suggests that any MTOA/STOA quantum/charges availed by drawl DICs such as TPDDL should be offset to the extent of unutilized LTA quantum in MW calculated by finding the difference between the "Approved withdrawal" and the maximum scheduled quantum of power in MW against such LTA on a monthly basis. Methodology suggested by TPDDL which deals with offset of STOA charges against the corresponding Withdrawal PoC charges to be paid by the Withdrawal DICs has been attached as Annexure-1.

TPDDL Additional Submissions:

1. In short term applications, priority of Corridor allocation should be given to states whose LTA is More than or equal to its peak Demand. Any margin left thereafter should be allocated to the states having LTA's not commensurate with their peak demands.

2. No credit pertaining to MTOA/STOA transactions should be passed on to customers who are availing MTOA. As the responsibility of servicing the sunk investment done in ISTS remain with LTOA holders, any credit should be distributed only to the extent of LTOA quantum and should be passed on only to the beneficiaries having LTOA. This will encourage all the LTOA holders to make their LTOA commensurate with their peak demands.

3. States/Customers who depend heavily on STOA/MTOA import transactions to meet their peak demand should not be provided any credit for STOA/MTOA transactions until their LTA's are commensurate/realigned with their peak demands.

4. While conducting bidding for corridor reservation under short term open access, no congestion charges should be payable by utilities/states having LTA's commensurate with their peak demand. Utilities responsible for corridor congestion should be identified and congestion charges should be recovered only from such states and not from others.

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ANNEXURE - 1

Methodology Proposed for Offest Credit of Transmission charges paid under STOA/MTOA with respect to "Approved Withdrawal from ISTS"								
S. No	Assumptions	"Approved withdrawal" (Including LTA+MTOA) as per RTA Issued by NRPC (MW)	Maximum Scheduled Drawal by TPDDL (Including LTA+MTOA) (assumed) in a month (MW)	Margin Available to Accommodate net STOA/MTOA import by TPDDL (MW)	Maximum Import under STOA/MTOA by TPDDL for the month (MW)	Difference of Approved withdrawal" & "Maximum Scheduled Drawal" (MW)	TPDDL Eligibility for Offset of STOA credit (MW)	Remarks
		1	2	3=1-2	4	5=3-4	6=3	7
1	Case-1- TPDDL Maximum Drawal from ISTS for the month does not exceed the "Approved Withdrawal"	1800	1600	200	200	0	200	TPDDL should get a Complete Offset/Credit of STOA amount upto a drawal of 200 MW for the month as the same is within the Limit of "Approved Withdrawal" of TPDDL
2	Case-2- TPDDL Maximum Drawal (MW) from ISTS for the month is more than its " Approved Withdrawal".	1800	1600	200	300	-100	200	After providng a Offest/Credit of STOA amount upto a drawal of 200 MW, credit regarding STOA charges peratining to the additional Drawal of 100 MW should be be processed as per the Sharing Regulations and any drawal beyond 120% of " Approved Withdrawal may be paenlized as per the suggestions made by TPDDL under proposed amendment to Regulation 9 of the Principal Regulations.

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