



Date – 14.11.2016

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To,

The Secretary
Central Electricity Regulatory Commission
Chanderlok Building,
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New Delhi – 110001

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Subject – 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) (Sixth Amendment) Regulations, 2016 (b) Draft Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016

Dear Madam,

This is in response to the Public notice by Hon'ble Commission dated 28th October 2016, inviting comments / suggestions / objections from the stakeholders and interested persons on the draft Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) (Sixth Amendment) Regulations, 2016 (b) Draft Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016.

Please find attached comments on the same on behalf of Essar Power Jharkhand Limited, Mumbai.

Thanks and regards,

Sandeep Sahay

Deputy Head – Commercial

Essar Power

Essar Power (Jharkhand) Limited

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Comments on CERC (Sharing of Inter State Transmission Charges & Losses) Regulations on behalf of Essar Power, Mumbai

| Sr No | Amendment | Comments |
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| 1 | <p>Sub-clause (q) of Clause (l) 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>Rationale for deletion of this amendment:</p> <ol style="list-style-type: none"> 1. At the time when connectivity was sought by the generator, there was no commitment charge payable by Generator on getting connectivity. 2. It would be inappropriate to bring the Reliability support charges after the connectivity has been sought. 3. It is to mention that there have very few long term tenders floated by discoms in the market. In various cases, even after the finalization of the tendering process, the Lol's have not been issued. 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. Thus it would be unjust to burden the generator with the additional reliability support charges. |
| 2 | <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</p> | <p>This amendment would bring additional financial implication to the generators. Due to non-availability of long term tenders by discoms in the market, the generators are compelled to relinquish their LTA quantum & sell the capacity in STOA. The Hon'ble Commission is requested to direct the CTU to undertake Transmission planning for STOA/power exchange/ rather than bringing additional financial implications upon the generators.</p> |

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| | <p>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>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 & supply exceeding the demand.</p> <p>Please delete this clause.</p> |
| 3 | <p>Sub para (2) of Para 4 of Regulation 11.</p> <p>For Generators having Connectivity over and above LTA + MTOA. The MTOA shall be considered in addition to LTA only if it is over and above LTA.</p> <p>=[Reliability Support Rate in Rs. /MW/Month] X [(Connectivity Quantum- (LTA + MTOA))]</p> | <p>As there are various cases where Connectivity is sought for installed capacity, this could be amended to include the impact of Auxiliary consumption-</p> <p>Please modify the formula as below: =[Reliability Support Rate in Rs. /MW/Month] X [(Connectivity Quantum- (LTA + MTOA + Auxiliary Consumption))]</p> |
| 4 | <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 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>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: 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)</p> <p>While as per the example, offset for MTOA being provided is of Rs 3.0 crores (Rs 7.5 Crores – Rs 4.5 crores)</p> <p>We suggest the offset should be on Rupees basis</p> <p>(b) On Rupees basis (Suggested): the offset should be provided for Rs. 3.5 Crores (Rs 7.5 Crores – Rs 4.0 crores).</p> |

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| | | <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> |
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Comments on CERC (Grant of Connectivity, Long-term Access & Medium Term Open Access in Inter-state Transmission & related matters) on behalf of Essar Power, Mumbai

| Sr No | Amendment | Comments |
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| 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>...</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 operationalisation of LTA of the generating station of the generating company."</p> <p>(b) after operationalisation 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>We suggest:</p> <p>We suggest that 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>Rationale for changes: As per the sub clause (c) of clause 1 of regulation 7 of Sharing of ISTS Charges & 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</p> |

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| | | <p>from the generator even till operationalization of generator's LTA.</p> <p>Please modify the clause as below:</p> <p>(a) The transmission charges for such dedicated transmission lines shall be recovered by the POC pool mechanism. payable by the concerned generating company to the transmission licensee (including deemed transmission licensee) from the date of COD of the dedicated line till operationalisation of LTA of the generating station of the generating company."</p> <p>(b) after operationalisation of the LTA 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>Regulation 8 of the Principal Regulations shall be substituted as under:</p> <p>...</p> <p>Provided that in case of a thermal generating station of 500 MW and above and a hydro generating station or a generating station using renewable sources of energy of capacity of 250 MW and above, CTU shall plan the system such that maximum length of dedicated transmission line shall not exceed 100 km from switchyard of the generating station till the nearest pooling substation of transmission Licensee.</p> | <p>It is requested to reduce the maximum length of dedicated transmission line to the range of 30-50 kms as any generating company lacks the expertise to construct a transmission line.</p> |
| 3 | <p>"15B. Firming up of Drawl or Injection by LTA Customers:</p> <p>The Long Term Access Customer who has been granted long term access to a target region shall, after entering into power purchase agreement for supply of power to the same target region for a period of not less than one year, notify the Nodal Agency about the power purchase agreement along</p> | <p>This clause may be deleted.</p> <p>This would create uncertainty in the existing MTOA/STOA contracts as it may be curtailed anytime leading to financial implications on the generator.</p> <p>The Hon'ble Commission is requested to direct the CTU to undertake</p> |

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| | <p>with copy of PPA for scheduling of power under LTA:</p> <p>Provided that scheduling of power shall be contingent upon the availability of last mile transmission links in the target region: Provided further that on receipt of the copy of the PPA, CTU shall advise concerned RLDC for scheduling of power at the earliest, but not later than a period of one month:</p> <p>Provided also that if the capacity required for scheduling of power under LTA has already been allocated to any other person under MTOA and/or STOA, then MTOA and/or STOA shall be curtailed in accordance with priority for curtailment in accordance with Regulation 25 of these Regulations corresponding to the quantum and the period of the PPA:</p> <p>Provided also that when capacity under existing MTOA are curtailed for considering scheduling of power under the PPA of the Long term Access Customer, such MTOA customer shall be permitted to relinquish its MTOA without any relinquishment charges."</p> | <p>Transmission planning for STOA/power exchange/MTOA and delete this clause.</p> |
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