

To

November 14, 2016 ✓

Ms. Shubha Sarma
Secretary
Central Electricity Regulatory Commission (CERC)
3rd and 4th Floor, Chanderlok Building
36, Janpath, New Delhi - 110001

Subject: Hero Future Energies Pvt. Ltd's Comments / Suggestions on

- a) 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

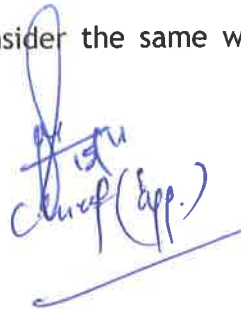
This is with reference to the publication inviting comments on the draft amendments to the aforesaid regulations, kept on the website of CERC on October 28, 2016. Our observations are mentioned in Annexure I and Annexure II enclosed herewith.

We request the Honorable Commission to kindly consider the same while finalising the notification.

Thanking you,
Yours truly,
For Hero Future Energies Pvt. Ltd.


Kunal L. Kaistha
Chief Manager - Regulatory




Kunal L. Kaistha (App.)

Enclosed: AA

ANNEXURE I: COMMENTS OF HERO FUTURE ENERGIES PVT LTD ON CERC (GRANT OF CONNECTIVITY, LONG TERM ACCESS AND MEDIUM TERM OPEN ACCESS IN INTER STATE TRANSMISSION AND RETLATED MATTERS) (SIXTH AMENDMENT) REGULATIONS, 2016

Sr. No	Clause No	Existing Clause	Proposed Clause	Rationale/Remarks
1	8.(a) and 8.(b)	8.(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. 8.(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 CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time.	8.(a) The transmission charges for such dedicated transmission lines shall be payable by the concerned generating company, other than wind and solar power plants selling power under competitive bidding process as provided in the National Tariff Policy and its amendment dated 30 th Sep 2016, 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. 8.(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 CERC (Sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time.	Transmission charges and losses are waived on wind and solar power plants in accordance with Ministry of Power Order No 23/12/2016-R&R dated 30 th Sep, 2016. The same is reiterated here.
2	16.B	16.B In case it is observed by RLDCs that the LTA/MTOA customer's request for scheduling is consistently (for more	16.B In case it is observed by RLDCs that the LTA/MTOA customer's request for scheduling, other than wind and solar	Wind and solar have very low capacity utilisation factors and intrinsic pattern of intermittent




	<p>than 5 days) lower than the capacity granted by the Nodal Agency (i.e. CTU), RLDC may issue a notice to such LTA/MTOA customer asking the reasons for such under-utilization.....</p>	<p>power plants, is consistently (for more than 5 days) lower than the capacity granted by the Nodal Agency (i.e. CTU), RLDC may issue a notice to such LTA/MTOA customer, other than wind and solar power plants, asking the reasons for such under-utilization.....</p>	<p>power generation which would not fully utilise LTOA/MTOA. Hence, an exception.</p>
3	<p>Insertion of New Regulation</p>	<p><u>Those wind and solar power projects which have executed firm PPAs under competitive bidding process shall be provided preference in grant of connectivity and LTOA over those applicants who are yet to execute firm PPA.</u></p>	<p>Certain wind and solar power project developers may squat on connectivity and/or LTOA even without firm PPAs. This would be prejudicial to the interest of the Utility which want to satisfy RPO by buying green power as well as to the wind/solar generator which shall not get a chance to supply the Utility power due to want of connectivity and/or LTOA on accounting of existing procedure. Hence, preference has to be provided to firm PPA holder in order to fulfil the purpose of the competitive bidding process.</p>



ANNEXURE II: COMMENTS OF HERO FUTURE ENERGIES PVT LTD ON C.E.R.C (SHARING OF INTER STATE TRANSMISSION CHARGES & LOSSES) (FIFTH AMENDMENT) REGULATIONS, 2016

Sr. No	Clause No	Existing Clause	Proposed Clause	Rationale/Remarks
1	7.(1).(q)	<p>“7.(1).(q) 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>7.(1).(q) Additionally, Reliability Support Charge shall also be payable by a DIC, other than wind and solar power plants, 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>Wind and solar power plants are in nascent stage of being covered under open access regulation. Such clauses would adversely affect them. Further, transmission charges are waved on wind power, Hence Reliability Support Charge cannot apply.</p>
2	8.(5)	<p>“8.(5) 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 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>	<p>“Provided also that during the period when a generating station, other than wind and solar power plants selling power under competitive bidding process as provided in the National Tariff Policy and its amendment dated 30th Sep 2016, draws start-up power or injects infirm power before commencement of LTA, withdrawal or injection charges corresponding to the 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>	<p>Exception to wind and solar power plants need to be created as open access transmission charges and losses are waved. Further, the regulation talks of reimbursement to the DIC of the withdrawal/injection charges paid, however for wind/solar as no open access charges/losses apply, there shall be no possibility of future adjustment/reimbursement. Hence, exception needs to be created.</p>

