



Manish K Singh
Secretary

InWEA/61/2016-17

November 15, 2016

The Secretary,
Central Electricity Regulatory Commission (CERC)
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi - 110 001

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

Dear Sir,

Indian Wind Energy Association (InWEA) is an association registered at New Delhi to represent the interest of various stakeholders in wind energy sector across various states in India.

This is with reference to the Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016 published on website of Hon'ble Commission inviting comments on the same.

At the outset, we would like to compliment the Hon'ble Commission for its various past initiatives for promotion of renewable energy development, which has paved way for harnessing of renewable energy in the Country. Our objections and suggestions on the draft CERC Regulations, 2016 are enclosed as **Annexure - I**.

We humbly request Hon'ble Commission to take on record our detailed comments and observations and further request that due consideration may be given to each of the suggestion presented herewith, while finalizing the aforesaid draft Regulations for the State.

I, Manish K Singh, am duly authorised by Indian Wind Energy Association to file these comments/suggestions on its behalf. I would also request you to allow us to present our views to commission in person in the hearing on this matter.

Thanking you,

Yours truly,

(Manish K Singh)

Indian Wind Energy Association

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Annexure-1

Comments/Suggestion on Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016.

Sr. No.	Item description	Draft Regulation Reference	Comments / Suggestion by InWEA
1	A New Sub clause has been proposed for waiver of transmission charges and loss for PPA based wind projects over 25 years commissioned till FY 2019.	A New Sub clause (y) to Clause (1) to Regulation 7 of Principal Regulations shall be added as under: "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. 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."	<ul style="list-style-type: none"> At the outset, InWEA would like to complement the Hon'ble Commission in proposing to extend the provision of waiver of Inter-State transmission charges and losses for Wind power projects even, which was earlier available for Solar power projects. As per Page No. 23 of the Explanatory Memorandum for the Draft Regulations, it is observed that the Hon'ble Commission while proposing the amendment has relied upon the MoP's notification dated September 30, 2016 which is in line with provision under Para 6.4(6) of revised Tariff Policy, 2016 dated January 28, 2016. InWEA would like to highlight that the Para 6.4 of Revised Tariff Policy specifies the necessity of promoting energy from RE sources including wind. However, it does not differentiate between the mode of renewable energy sale, i.e., different treatment to sale to Discom and to third party.

			<ul style="list-style-type: none"> • Further, it is observed that the waiver is proposed to be applicable for competitive procurement of wind energy. In this context, it is worthwhile to note that the recently issued guidelines on the scheme for setting up 1000 MW ISTS-connected Wind Power Projects, by MNRE has also qualified 'bulk consumers as 'buying entities' in addition to the Distribution Companies. The relevant definition of buying entity as stipulated in the said guidelines is reproduced as following. <i>"Buying Entity" means the licensed entity engaged in the business of supply of electricity in the non-windy State and UTs and also includes the bulk consumers of any State/UTs who intend to buy atleast 10 MW of wind power under the Scheme."</i> • Thus, is understood that the scheme envisages procurement of wind energy by third party entities. In this context, waiver of inter-state transmission charges and losses thereof only for procurement by Discoms shall render as discriminatory, and this may not be the intention of the Hon'ble Commission. We would also like to request the Hon'ble Commission that the projects selling power to the Discoms at a rate approved/ determined by the appropriate Commission should also get the waiver as it is in the case for solar:-
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			<ul style="list-style-type: none">• In view of the above, InWEA humbly request the Hon'ble Commission to make applicable the provision for waiver of Inter-State Transmission charges and losses thereof to procurement of wind energy through the appropriate Commission determined tariff and to third party OA transactions as well and thus waive off ISTS charges for all the wind projects developed till 31.3.2019.
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