

BSES Rajdhani Power Limited

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Ref. No. AVP (PMG)/BRPL/2016-17/  
Dated: 25.11.2016

To,  
The Secretary

Central Electricity Regulatory Commission  
3rd & 4th Floor Chandernagore Building,

36 Janpath,

New Delhi 110 001

Tele No. 23353503, Fax No. 23753923

Sub: Comments on draft Central Electricity Regulatory Commission ((Sharing of Inter State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2016.

Dear Sir,

With Reference to your letter no. L-1/(3)/2009-CERC & L-1/44/2010-CERC dated 28th October 2016, we would like to confirm BRPL's presence for the Public Hearing on Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016 and 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.

Please find enclosed our Comments on the same enclosed as Annexure-1.

Thanking You,

Yours faithfully  
For BSES Rajdhani Power Limited

Sanjay Saxastav  
Addl. Vice President (PMG)



Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges & Losses) (Fifth Amendment) Regulations, 2016

1. Amendment to Regulation 9 of the Principal Regulations:

"Quote":

Proposed Amendments:

As per the draft Notification it is stated that 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."

BRPL Comment

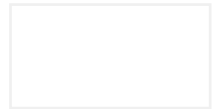
As per understanding the intent of this amendment is basically to tackle complexity in Transmission Planning, which has mainly arising due to:

- Piling up of merchant capacity whose buyers have not been identified.
- Shift towards short term tenders from long term tenders by utilities.
- Connectivity of generators with the system is not proportional to their IC.
- Minimum long term takers for generation projects hence their unwillingness to remain committed for long term payment of transmission charges.
- Relinquishment of LTA by generators because of more and better opportunities in ST market

To curb the shift toward short term market/contract by DICs who would have otherwise explored the long term route, Hon'ble Commission has decided to increase the rates for MTOA and STOA transactions. Draft notification proposes to increase the MTOA and STOA charges to 1.25 and 1.35 times respectively that for normal POC rates specified so that adequate capacity augmentation takes place which will also helps in alleviating problems of congestion

Exempt banking and Short Term of Discom for any increased charges

DISCOMS are taking sufficient LTA due to long term PPA which remains generally underutilized. Most of the counter parties are dealing in ST market only through which DISCOMS are trying up to meet their fluctuating



peak load. The most important instrument of ST market being used by DISCOMS is "Banking". Banking is done with other State Utilities which are also paying under LTA.

In view of the above, we request the Hon'ble Commission to exempt Banking under the proposed amendment.

**Clarification for Normal STOA rate vs. Penal STOA rate**

With reference to the above proposed amendment in Point no 2 as quoted below:

"(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."

It appears that intention of draft Regulation is to penalise Gencos who are intentionally taking less LTA and selling in STOA to avoid long term burden or commitment. It is understood that penal STOA will be applicable for those Gencos only.

In view of above points, Hon'ble Commission is requested to suitably modify the clause so that it is only applicable on DICS other than DISCOMS.