

Annexure-1

Comments/Suggestion on Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Sixth Amendment) Regulations, 2018.

Sr. No.	Draft Regulation Reference	Comments / Suggestion by InWEA
1	<p>A new Sub clause (aa) to Clause (1) of Regulation 7 of Principal Regulations shall be added as under: "(aa) No transmission charges and losses for the use of ISTS network shall be payable for the generation based on solar and wind power resources for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding;</p> <p>(ii) Such generation capacity has been declared under commercial operation between 13.02.2018 till 31.3.2022;</p>	<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 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 February 13, 2018 which is in line with provision under Para 6.4(6) of revised Tariff Policy, 2016 dated January 28, 2016. <p>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 restrict the benefit to any one category of the end buyer of renewable energy.</p> <ul style="list-style-type: none"> • Further, in line with the Para 6.4(6) of the revised Tariff Policy, it is observed that MoP also in its Order dated 13-Feb-18 under para 4.0 (i) 3rd proviso states that “the waiver will be available for solar and wind projects entering into PPAs with all entities.....” and this is reiterated in the proposed draft under

	<p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies, for compliance of their renewable purchase obligations.”</p>	<p>(aa) (iii) “PPAs have been executed for sale of such generation capacity to all entities.....”</p> <ul style="list-style-type: none"> • Thus, it is understood that the waiver is available to all entities besides Distribution Companies • In view of the above, the Hon’ble Commission may qualify the condition under (aa) (i) of the proposed draft (competitive bidding) to be applicable only to the Distribution Licensees and not to other entities. • Alternatively, the Hon’ble Commission may clarify the use of “competitive bidding” as competitive bidding for procurement of energy or competitive bidding by generator for procurement of equipment. • 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 by Captive Consumer or by third party under Open Access to meet their RPOs provided competitive bidding route followed by generator for procurement of equipment
2	<p>(i) Such generation capacity has been awarded through competitive bidding;</p>	<p>MoP on April 05, 2018 has issued a scheme for Flexibility in generation and scheduling of thermal power stations operating on coal/lignite/gas based fuel already having PPA with DISCOM’s, will be allowed to establish or procure renewable capacities anywhere in the country to meet their RPO. The relevant provisos are as follows for your kind reference.</p> <p>....</p> <p>(iv) RPO/RGO – Power which is generated from such renewable energy shall be eligible for any cross subsidies notified by the Govt. from time to time including waiver from ISTS transmission charges and losses as per notification from the Govt. Such renewable energy procured by the beneficiaries shall qualify</p>

		<p>towards meeting their RPO. Further, such renewable power in capacity terms shall also qualify for Renewable Generation Obligations (RGO) for the generators as envisaged in the Tariff Policy as and when notified by the Govt of India.</p> <p>(v)</p> <p>(vi)</p> <p>(vii) The proposed scheme shall be applicable only for the Thermal projects developed/ being developed under section 62 of the Electricity Act, i.e. “Regulated Tariff based Projects”</p> <p>(viii) ..</p> <p>(ix) <u>Changes, if any, required in the Regulation for implementation of the above scheme shall be made by the appropriate Electricity Regulatory Commission.”</u></p> <p>Since as per the above detailed MoP scheme, <u>power procurement under section 62 of The Electricity Act shall qualify for such ISTS waivers</u>, the relevant proviso in the CERC proposed 6th amendment to Sharing Regulations, that restricts the waivers to competitive bidding may be deleted.</p>
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