

4278/2018/CRU-CERC



A Maharatna Company

एन टी पी सी लिमिटेड

(भारत सरकार का उद्यम)

NTPC Limited

(A Govt. of India Enterprise)

केन्द्रीय कार्यालय / Corporate Centre

To,

04.09.2018

The Secretary,
The Central Electricity Regulatory Commission,
New Delhi.

Sub: Comments / Suggestions on the Draft "CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter State Transmission and Related Matters) (Seventh Amendment) Regulations 2018"

Dear Sir,

Please find enclosed herewith our comments / suggestions on Draft "CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter State Transmission and Related Matters) (Seventh Amendment) Regulations 2018" circulated by the CERC seeking comments / suggestions from all concerned.

Thanking you,

Yours sincerely,

(Pramod Kumar)
ED (Comml.)

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NTPC COMMENTS ON CERC (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter State Transmission and Related Matters) (Seventh Amendment) Regulations 2018

1. The Ministry of Power, Government of India vide letter dated 5th April 2018 has issued detailed mechanism for allowing flexibility in generation and scheduling of thermal power stations to reduce emissions. The scheme provides flexibility to the generating company of using its thermal power or renewable power to meet its scheduled generation from that thermal generating station. The generating company may either establish or procure renewable energy generating capacity anywhere in the country. Connectivity to the ISTS for RE generating station shall be applied as per the extant Regulations. Draft Connectivity Regulations has proposed inclusion of the following provision as under:

[(e) Any renewable energy generating station of 5 MW capacity and above developed by a generating company in its existing generating station of the description referred to in sub-clauses (b)(i)(a) to (cc) of this clause and seeking connectivity to the existing connection point with inter-State Transmission System through the electrical system of the generating station subject to availability of Connectivity capacity in existing station as assessed by CTU.]

It is submitted that RE generating stations of installed capacity less than 5 MW seeking connectivity through electrical system of existing generating station can also be developed. Further, RE generating stations outside the premises of the existing thermal station but located at the nearby locations can be connected through the electrical system of the existing thermal station. The same also needs to be covered in Regulations. In view of the above, it is suggested that the above proviso may be modified as under:

“Any renewable energy generating station of 1 MW and above developed by a generating company seeking connectivity to the existing connection point with inter-State Transmission System through the electrical system of its existing generating

station of the description referred to in sub-clauses (b)(i)(a) to (cc) of this clause subject to feasibility of Connectivity capacity in existing station as assessed by CTU.”

2. Govt. of India has set on a large RE capacity target of 175 GW by 2022. Due to various regulatory initiatives including waiver of transmission charges & losses pertaining to ISTS for Solar and Wind generation, large response have been observed from RE developers. However, ISTS connectivity has been a point of concern for quite some time. Many of the Inter State Generating Switchyards (ISGS) are already connected with Inter State Transmission System (ISTS) and is an existing ISTS Connection point.

Therefore, in order to promote renewables and facilitate/widen the ISTS Connectivity points, Honourable Commission may consider to allow aggregation of RE Capacity through generating switchyards of ISGS which are already connected with ISTS. Accordingly, Generating Company, authorised by Central government as 'Implementing Agency' may undertake tariff based competitive bidding considering the ISGS switchyard as existing connection point.

Accordingly, on similar lines of provisions for applying connectivity on behalf of RE Developer by authorised Implementing Agency, as per clause no [2(1)(b)(g)]; following provisions may be added at (2)(1)(b)(i) as under:

“Any generating company designated by Central Government as Implementing Agency on behalf of Renewable Power Developers who are eligible for grant of Connectivity under clause (1)(b)(i)(aa)-(cc) and seeking connectivity to the existing ISTS connection point through the electrical systems/switchyard of generating station, subject to availability of connectivity capacity, in existing station as assessed by CTU.”

3. Definition of Implementing Agency:

It is submitted that definition of “Implementing Agency” may include Bulk Power Procurers/ Power Traders in addition to Distribution Licensees in order to provide more flexibility in the regulations as under:

(k-a) “Implementing Agency” means a company or entity designated by the Central Government or the State Government for selection of Renewable Power Developer and to act as Intermediary Procurer who shall buy power from these developers

and sell the same to one or more distribution licensees / Bulk Power Procurers/ Power Traders in accordance with the Guidelines issued from time to time by the Ministry of Power, Government of India or the Ministry of New and Renewable Energy, Government of India or the State Government.”

4. Comment on CERC Detailed Procedure for Connectivity RE Projects issued on 15-05-2018

Detailed Procedure for “Grant of Connectivity to Projects based on Renewable Sources to Inter-State Transmission System” has been approved by Hon’ble Commission vide order No. L-1/ (3)/2009-CERC dated 15th of May, 2018, wherein connectivity has been divided into two steps or stages i.e. Stage-I (tentative) and Stage-II (final confirmation).

The CERC Regulation has primarily addressed the issues faced by CTU for allocation of bays matching with commissioning schedule of various Wind power project Developers due to “squatting”/ blocking of bays by individual wind power developers applying for connectivity without any land and major development. As per the above Detailed Procedure, developer selected through tariff based bidding would get stage-II connectivity after “Letter of Award” from the agency designated by Central Government or the State Government i.e. SECI or authorized nodal agency without any achievement of milestones status i.e. land, etc. On the contrary, for others, achievement of the following milestones are mentioned in detailed procedure of connectivity regulation, for grant of Stage-II connectivity;

“(i) Ownership or lease rights or land use rights for 50% of the land required for the capacity of Stage-II connectivity; and

(ii) Achievement of financial closure, (with copy of sanction letter) or Release of at least 10% funds towards generation project execution supported by Auditor’s certificate regarding release of such funds through equity.”

It may be mentioned here that in the draft regulation earlier circulated by CERC for comments, 50% land (ownership/lease right /land use right) milestone as indicated at clause (i) above was also applicable to Individual developer selected by the Central Govt. or State Govt. designated agency as well.

It is pertinent to mention here that, the process of development of solar projects under solar Park Model is based on institutional mechanism i.e. solar park DPR approval by SECI/MNRE and power evacuation infrastructure common for Solar Projects in Park are developed after connectivity approval from CTU. Therefore, there is no such issue like "squatting"/blocking of ISTS bays in case of development of solar projects under Solar Park model approved by MNRE.

It may also be noted that, the above aspect is also covered at page no. **23 of SOR (Statement Of Reasons; Petition No. 145/MP/2017 dated 29th of September, 2017) of above CERC regulation;**

Quote

"In case of Solar, most of the projects are coming in solar parks. For solar parks, there are separate provisions for grant of connectivity and practically there is no issue of squatting"

Unquote.

In view of above, honourable Commission is requested to consider the provisions of Solar Park Connectivity as separate procedure as in case of solar park approved by MNRE, Stage-II connectivity can be granted delinking with milestone identified (50% land & financial closure) in line with individual wind/solar developer.