

BSES

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Ref: BSES/BYPL/2019-20/21 A

22th July 2019

To,

The Secretary,

Central Electricity Regulatory Commission,

3rd & 4th Floor, Chamberlok Building,

36, Janpath,

New Delhi-110001

Sub.: BYPL comments on Draft Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2019.

Ref: Hon'ble CERC public notice No. L- 1/247/2019/CERC, dated 24th May, 2019

Sir,

We write in reference to the above mentioned public notice issued by the Hon'ble CERC on the Draft Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2019.

The comments of BSES Yamuna Power Ltd on the above subject is enclosed for kind consideration of the Hon'ble Commission.

Thanking you,

Yours Sincerely,

For BSES Yamuna Power Ltd



Gagan B Swain

Head (Regulatory)

Encl: As above

Draft Regulations	Comments/Rationale	Proposed Regulations
<p>2. Definitions:</p> <p>(b) "Appraisal Committee" means the Committee constituted by the Central Government as per the Guidelines for the purpose of scrutiny (techno-economic appraisal) and prioritization of project proposals for funding from PSDF;</p> <p>4. UTILIZATION OF THE PSDF:</p> <p>(3) PSDF shall be utilized for the following purposes:</p> <p>PSDF shall be utilized for funding of projects or schemes for creation of necessary infrastructure for the following purposes:</p> <p>(a) Creating necessary transmission systems of strategic importance based on operational feedback by Load Despatch Centers for relieving congestion in inter-State</p>	<p>Since the projects proposals under this draft Regulations would benefit Transmission and Distribution system and network connected to Gencos, therefore we request for inclusion of one member from each of these sectors i.e CTU,STU,Discoms and Genco's.</p> <p>Draft Regulation 4(2):</p> <p>1. Draft Regulation limits the utilization of the PSDF for Distribution Companies only to those projects that are incidental to inter-state transmission system and have a bearing on grid safety and security.</p> <p>Considering the fact that Discoms are an integral part of the Power System development and entity contributing to PSDF, the role of Discom should be broader than this.</p>	<p>Proposed Draft Regulations: We proposed to add as under:-</p> <p>"4(3)(4) Funds from PSDF may also be utilized for the projects proposed by the distribution utilities (including private distribution utilities) in the above areas which are incidental to inter-State transmission system and have a bearing on grid safety and security, provided that these projects are not covered under any other scheme of the Government of India or respective State Government(s)."</p>

<p>transmission system and intra-State Systems which are incidental to the ISTS;</p> <p>(b) Installation of shunt capacitors, series compensators and other reactive energy generators for improvement of voltage profile in the Grid;</p> <p>(c) Installation of standard and special protection schemes, pilot and demonstrative projects and for setting right the discrepancies identified in the protection audits on regional basis;</p> <p>(d) Renovation and Modernization of transmission and distribution systems for relieving congestion; and</p> <p>(e) Any other project in furtherance of the above objectives such as conducting technical studies and capacity building.</p> <p>(4) Funds from PSDF may also be utilized for the projects proposed</p>	<p>3. Further, The increasing share of renewable generations in the grid has impacted the traditional approach of grid balancing. The renewable sources such as Wind, Solar Power are intermittent in nature.</p> <p>The balancing through the conventional load such as hydroelectric plant and gas based thermal plant would not be adequate. Hence, there is a need for Electricity Storage System ("ESS") that would provide economically feasible Electricity Storage Services to address these challenges. To promote the ESS with cost competitiveness, it should be come under the ambit of these PSDF Regulations.</p> <p>4. In addition to the above, in order to meet the environment norms of MoEF, GoI, the generators are planning to install the Flue Gas De-sulfurization (FGD) drives in their Generating Stations which will have impact on the tariff of the generating stations.</p> <p>5. We propose that the certain percentage of PSDF fund can be allocated on the region basis in</p>	<p>4(3)(8) PSDF shall also be utilized for the <i>following</i> projects proposed by Transmission companies/Generating companies/distribution utilities in the above areas :</p> <p>(a) <i>Energy storage systems and Pump Storage System.</i></p> <p>(b) <i>Any pilot projects, studies related to the promotion of RE projects.</i></p> <p>(c) <i>for installation of FGD drives by the generating companies.</i></p> <p>(d) <i>ULDC schemes for central sector.</i></p>
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by the distribution utilities in the above areas which are incidental to inter-State transmission system and have a bearing on grid safety and security, provided that these projects are not covered under any other scheme of the Government of India or respective State Government(s).

(5) Any Central Government scheme in the interest of development of power system which requires support from PSDF as part of the scheme shall be eligible for assistance from PSDF.

(6) The Central Government may prioritize sanctioning and release of funds from PSDF based upon importance of the project or the scheme and quantum of fund involved.

(7) Private sector projects shall not be eligible for assistance from PSDF

proportion to the installed capacity in the area..

This will reduce the tariff and will help the end consumers.

6. Draft Regulation 4(3)(7) provides that "Private Sector Projects" shall not be eligible for assistance from PSDF. The private sector projects should be defined such as projects intended for any particular type of industries or group etc.

2. Sanction of funds from PSDF

(1) The Central Government may frame procedures or guidelines, either directly or through the Nodal Agency, for application, processing, sanction, disbursement, appraisal and monitoring of funds from PSDF.

(2) After scrutiny of the proposals by the Appraisal Committee, the Nodal Agency is authorized to recommend the proposal to the Monitoring Committee if project activities are covered under the scope of the Guidelines and these Regulations.

(3) The Regional Power Committees, Generating Companies, Transmission Licensees, Distribution Licensees, Load Despatch Centers, as the case may be, shall furnish necessary details of the projects or schemes to the Nodal Agency.

(4) The project entity shall be responsible for the execution as

Draft Regulation 8:

1. The Draft PSDF Regulations are silent on the unutilized funds that will remain in the PSDF account at the end of the financial year. The same in effect would mean that the NLDC retains the unallocated funds without payments of any interests or carrying costs.
2. It is proposed that the balance amount remaining in the fund at the end of the financial year shall be transferred to the account of PGCIL and may be used to pay off their transmission charges. This will lead to reduced tariff of the end consumers and will provide tariff reliefs.

Proposed addition of Regulation 8(i):

(i) The amounts not utilized, at the end of the financial year, shall be adjusted towards reduction of ISTS transmission charges of PGCIL, subject to the amount payable for pending projects already approved under these Regulations in the last financial year. No balance should remain in the account at the end of the year.

well as Operation & Maintenance of the projects or schemes, as the case may be, during its useful life.		
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