

**Central Electricity Regulatory Commission
New Delhi**

**Coram:
Shri P.K. Pujari, Chairperson
Dr. M.K. Iyer, Member
Shri I.S. Jha, Member**

File No. L-1/44/2010-CERC

Date: 23rd April 2019

Statement of Reasons

In the matter of

Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations (6th Amendment), 2018

1. Introduction:

- 1.1. The Commission vide notification dated 27.4.2018 issued the Draft Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Sixth Amendment) Regulations, 2018 (hereinafter referred to as the “Draft Sixth Amendment to the Sharing Regulations” or the “Draft Amendment”) along with Explanatory Memorandum seeking comments/ suggestions/ observations from the stakeholders/public. The Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 is referred to as the Sharing Regulations.
- 1.2. Comments were received from 8 stakeholders including DISCOMs, renewable energy generators and associations. List of stakeholders who submitted written comments is given at Appendix-I. The detailed comments are available on the website of the Commission at www.cercind.gov.in. After due considerations of the comments/ suggestions/ objections received, the Commission has finalized the Draft Sixth Amendment to the Sharing Regulations.
- 1.3. The amendments proposed in the draft regulations, deliberation on the comments/suggestions offered by the stakeholders on the proposed amendments and the reasons for decisions of the Commission are given in the succeeding paragraphs. While an attempt has been made to consider all the comments/suggestions received, the names of all the stakeholders may not

appear in the deliberations. However, the name of all the stakeholders is enclosed as Appendix-I.

2. Waiver of ISTS charges and losses for wind and solar projects

2.1. A new Sub clause (aa) was proposed to be added after Sub clause (z) to Clause (1) to Regulation 7 of Principal Regulations 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:

- (i) Such generation capacity has been awarded through competitive bidding;
- (ii) Such generation capacity has been declared under commercial operation between 13.02.2018 till 31.3.2022;
- (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

2.2. The date "31.12.2019" in sub clause (y) to Clause (1) of Regulation 7 was proposed to be substituted with the date "12.2.2018".

2.3. The date "31.3.2019" in sub clause (z) to Clause (1) of Regulation 7 was proposed to be substituted with the date "12.2.2018"

2.4. **The Commission had given following rationale while proposing the above amendment:**

"(1) Tariff Policy notified by Ministry of Power dated 28.1.2016 provides, at para 6.4 (6), as follows:

"In order to further encourage renewable sources of energy, no inter-State transmission charges and losses may be levied till such period as may be notified by the Central Government on transmission of the electricity generated from solar and wind sources of energy through the inter-state transmission system for sale."

- (2) In this regard, Ministry of Power had, vide Notification dated 30.9.2016 regarding ISTS charges and losses for solar and wind based projects, notified as follows:

"(i) For generation projects based on wind resources, no inter-state transmission charges and losses will be levied on transmission of the electricity through the inter-state transmission system for sale by such projects commissioned till 31.3.2019.

Provided that the above waiver will be available for a period of 25 years from the date of commissioning of such projects;

Provided further 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;

For generation projects based on solar resources, no inter-State transmission charges and losses will be charged for use of inter-state transmission system (ISTS) network by such projects commissioned till 30.6.2017 as per the CERC (Sharing of Inter-State Transmission Charges and Losses) (Third Amendment) Regulations, 2015.

Provided that this waiver will be available for a period of 25 years from the date of commissioning of such projects;

Waiver will be allowed only to those solar and wind projects that are awarded through competitive bidding process."

- (3) Vide order No. 23/12/2016-R&R dated 14th June, 2017, Ministry of Power has modified the earlier order dated 30.9.2016 to extend waiver of ISTS transmission charges and losses for generation projects based on solar resources commissioned till 31.12.2019. The relevant portion of the said order dated 14.6.2017 is reproduced as under:

"Ministry of Power, in consultation with various stakeholders, hereby modify its order of even number dated 30th Sept., 2016 as under:

1.0 Para 3 (ii) of the aforesaid order be read as under:

For the generation projects based on solar resources, no transmission charges and losses will be charged for use of interstate transmission system (ISTS) network by such projects commissioned till 31.12.2019.

Provided further that the above waiver shall be available for a period of 25 years from the date of commissioning of such projects;

Provided further 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;

2.0 The other terms and conditions of order No. 23/12/2016-R&R dated 30.9.2016 shall remain applicable.

....”

- (4) Accordingly, the Commission vide notification No. No.L-1/44/2010-CERC dated 14th December, 2017 notified the 5th Amendment to the Sharing Regulations whereby waiver of inter-State transmission charges and losses on transmission of electricity was extended for the projects based on solar and wind resources. The said waiver was available for solar based projects commissioned/ to be commissioned between 1.7.2017 and 31.12.2019 and for wind based projects commissioned/ to be commissioned between 30.9.2016 and 31.3.2019. The waiver was available for a period of 25 years from the date of commissioning of such projects and was only for the projects awarded through competitive bidding process where PPAs have been entered for sale of electricity to DISCOMs for compliance of their Renewable Purchase Obligation (RPO).
- (5) Further, vide order No. 23/12/2016/R&R dated 13th February, 2018, Ministry of Power has extended waiver of ISTS transmission charges and losses for generation projects based on solar and wind sources of energy commissioned till 31.03.2022 in supersession of its earlier Order No. 23/12/2016-R&R dated 30th September, 2016 and Order No. 23/12/2016-R&R dated 14th June, 2017. The relevant portion of the said order dated 13th February, 2018 is reproduced as under:

“4.0 In supersession of Ministry of Power order No. 23/12/2016-R&R dated 30th September, 2016 and Order No. 23/12/2016-R&R dated 14th June, 2017, it is hereby notified that-

- i. For generation based on solar and wind resources, no interstate transmission charges and losses will be levied on transmission of electricity through the inter-state transmission system for sale of power by such projects commissioned till 31st March, 2022.

Provided that the above waiver will be available for a period of 25 years from the date of commissioning of such projects;

Provided further that above waiver will be available only for solar and wind projects entering into PPAs with all entities, including Distribution Companies, for sale of power from solar and wind projects for compliance of their renewable purchase obligation.

Provided further that the above waiver will be allowed only to those solar and wind projects that are awarded through competitive bidding process in accordance with the guidelines issued by the Central Government.

5.0 This Order, irrespective of the purchasing entity, shall be applied prospectively i.e. from the date of issue of Order.

(6) Based on above discussions, following amendment is proposed for solar and wind based generation:

.....”

2.5. **Comments have been received from Axis Energy Ventures India Private limited, Indian Wind Energy Association, Indian Wind Power Association (Andhra Pradesh and Telangana State Council), Indian Wind Turbine Manufacture Association, Mytrah Energy, NALCO, MSEDCL and TANGEDCO.**

2.5.1. Indian Wind Energy Association has welcomed the proposed waiver of inter-state transmission charges & losses for wind power projects.

2.5.2. Axis Energy, IWPA and IWTMA have submitted that as per clause 6.4(6) of the National Tariff Policy (NTP), the policy seeks to extend the benefit of the waiver of inter-State transmission charges and losses to both solar and wind sources of energy using ISTS irrespective of mode of establishment i.e., either through feed in tariff under Section 62 of the Electricity Act, 2003 or through competitive bidding conducted under Section 63 of the said Act. Further, they have submitted that the Govt. of India, Ministry of Power (MoP) has vide its letter no. 23/70/2017-R&R dated 5.4.2018 issued scheme on “Flexibility in Generation and Scheduling of Thermal Power Stations to reduce emissions” which allows generators having coal/lignite/gas based thermal generating stations with power purchase agreements with DISCOMs to either generate or procure power from renewable energy sources for meeting their RPO obligations. The Scheme also provides that the power generated or procured by the thermal generators from the renewable energy sources, located anywhere in the country, shall be eligible for cross subsidies including waiver from ISTS transmission charges and losses notified from time to time by the Government of India. They have stated that the proposed draft Sixth Amendment to the Sharing Regulations in its present form only permits solar and wind projects awarded through competitive bidding process to avail waiver from ISTS transmission charges and losses. If the proposed amendment is allowed in its present form it would result in defeating the very purpose of the Scheme.

- 2.5.3. Indian Wind Energy Association (InWEA) has submitted that the proposed requirement of competitive bidding should only be applicable for DISCOMs and not to other entities. InWEA has further submitted that the waiver of Inter-State Transmission charges and losses should be applicable for procurement of wind energy by Captive Consumer or by third party under Open Access to meet their RPOs provided competitive bidding route is followed by generator for procurement of equipment. InWEA has sought clarification in respect of the use of the term “competitive bidding” as to whether it means competitive bidding for procurement of energy or competitive bidding by generator for procurement of equipment. Further, as per the scheme on “Flexibility in Generation and Scheduling of Thermal Power Stations to reduce emissions” issued by MoP, power procurement under Section 62 of the Electricity Act, 2003 shall qualify for such ISTS waiver. Therefore, the relevant proviso in the Draft Sixth Amendment to the Sharing Regulations that restricts the waiver only for competitive bidding may be deleted.
- 2.5.4. Mytrah Energy has submitted that the draft Amendment proposes that only Wind & Solar Power Projects that declared CoD before 31.3.2022, would be eligible for waiver of transmission charges and losses for the use of ISTS network. WPDs(Wind Power Developers) require 21 months to commission the Wind Power Project after issuance of LoA (18 months from signing of PPA) and the same is also considered by SECI in its latest bid. In view of above, the WPDs will face an uncertainty of applicable ISTS charges & losses even after getting bid in the year of 2021. The consideration for waiver of ISTS charges and losses at the time of bidding will be an additional risk for such WPDs/bidders where the bids would be issued before 31.03.2022. Mytrah Energy has requested to amend the Draft Amendment to allow the waiver of ISTS charges and losses to all wind & solar projects which would be bid before 31.03.2022 instead of proposed commissioning before 31.03.2022. Mytrah Energy has further submitted that there are many other windy sites across the States where CTU connectivity is not available or are having nearest STU connectivity, which is directly connected with ISTS network. In case of direct connectivity to STU network, the bidders will have to bear State charges & losses and there is possibility of further change in charges in future

whereas there will be almost negligible charges & losses for the State network and it will also support the use of high voltage unutilized sub-station of STU. Mytrah Energy has requested the Commission to consider sub-station of STU having direct connectivity with CTU as deemed ISTS and allow to waive-off STU charges & Losses to the bidders who won the bids through competitive bidding process.

- 2.5.5. NALCO has submitted that the term “competitive bidding” should be considered as competitive bidding for procurement of equipment or for selection of developer/contractor for setting up of wind/solar projects. Further, PPA executed for captive consumption of power generated for wind/solar project should also be considered for waiver of ISTS charges & losses.
- 2.5.6. MSEDCL has submitted that presently transmission line projects costing nearly Rs. 57,000 crore are in progress & are proposed to be commissioned within next 18 Months. Further, there are several transmission line projects in progress or are proposed for evacuation of power from proposed & to be proposed RE projects. After completion of all ongoing ISTS projects, YTC (yearly transmission charges) would increase tremendously which will result in further increase POC charges. Hence, detailed study is necessary to work out impact of waiver of POC charges & losses for RE generation on POC charges, after completion of all ongoing Transmission line projects (taking into consideration approved Intra-State Transmission system). Further, the possibility of funding of green corridor projects under PSDF scheme needs to be explored.
- 2.5.7. TANGEDCO has submitted that many transmission assets have been created exclusively for evacuation of power from the RE generating station. However, there is no specific mention on the methodology to recover the cost of the transmission assets created for the purpose of RE evacuation. At present, the cost of these assets are included in the PoC pool, which socializes the huge sunk cost. In reality, the entities / DISCOMs who are having tie up with the RE generators to fulfil their RPO obligations are legitimately liable to pay the transmission charges. But, the proposed waiver clause in the Draft Amendment

relieves them from the burden of payment of transmission charges, whereas the RE rich States are burdened with sharing of additional transmission charges for fulfilling the obligations of the RPO deficit States. Also, the huge capacity addition of RE generators causes uneconomic implications on DISCOMs on account of managing the variability and intermittency. Further, must run status to RE sources impose huge financial burden on the DISCOMs on account of backing down of State owned thermal stations as well as other low cost generating stations. In addition, the compensation mechanism imposed by the Commission on account of operating the generating units at 55% Technical minimum and reserve shut down of CGS has increased the financial liability of the DISCOMs.

2.5.8. TANGEDCO has further submitted that in order to achieve the ambitious target of the capacity of 175 GW of RE sources in the time frame of 2022 with the support of the RE rich States, it is necessary to develop huge transmission capacity to evacuate power from the RE sources. In this context, in order to bring in transparency in planning and execution, it is essential to quantify the RE capacity eligible for waiver of transmission charges or otherwise, it will pave way for misuse of the provisions. Hence, it has become inevitable to conduct a detailed impact assessment study by the designated planning agencies viz. CTU/CEA and other committee/task force nominated by the Commission featuring the following aspects:

- (a) Transmission cost recovery methodology (the PoC mechanism does not cater the need)
- (b) Optimum utilization of existing transmission infrastructure
- (c) Role and responsibility of RPO deficit states /entities
- (d) Requirement for balancing resources by State entities,
- (e) Incentives / benefits to host states.

2.5.9. TANGEDCO has further submitted that a Committee may be constituted to conduct a comprehensive study and to analyse the technical & financial impact of the Draft Amendment on the planning & operation of the ISTS, Intra-STS and DISCOMs. The Committee may be directed to work on certain terms of reference which may consider the following aspects

- (a) Pocket wise RE assessment report by the designated agencies
- (b) RPO obligation of each State and present status of compliance assessment of State wise requirement for RPO compliance
- (c) Power System study to analyse the technical challenges which includes, network adequacy, expansion requirement and system balancing requirements (both interstate and intra state) in each time horizons of the study based on the target implementation plan for RE generators.
- (d) Financial viability study to accommodate the RE sources and the liability of RE home States and the obligated States /entities

TANGEDCO has also submitted that a detailed procedure / methodology to implement the waiver clause through the PoC mechanism should be devised before notifying the proposed amendment.

2.6. **Analysis and decision:**

2.6.1. We have considered the comments given by stakeholders.

2.6.2. With regard to InWEA submission that whether the “Competitive Bidding” is for procurement of energy or for competitive bidding by generator for procurement of equipment, it is clarified that the notification dated 13.2.2018 specifies competitive bidding process in accordance with the guidelines issued by Central Government. Accordingly, the guidelines of Government of India in this regard shall be considered.

2.6.3. Few stakeholders have submitted that the scheme on “Flexibility in Generation and Scheduling of Thermal Power Stations to reduce emissions”, issued by the Ministry of Power, Government of India vide its letter no. 23/70/2017-R&R dated 05.04.2018 allows thermal generating stations with PPAs with DISCOMs to either generate or procure power from renewable energy sources for meeting their RPO obligations and that the power generated or procured by the thermal generators from the renewable energy sources, located anywhere in the country, shall be eligible for cross subsidies including waiver from ISTS transmission charges and losses notified from time to time by the Government of India. The relevant portion of the said notification dated 5.4.2018 is reproduced as under:

“D(iv) RPO/ RGO - Power which is generated from such renewable energy shall be eligible for any cross subsidies notified by the Government from time to time including waiver from ISTS transmission charges and losses as per notification from the Government. Such renewable energy procured by the beneficiaries shall qualify towards meeting their Renewable Purchase Obligations (RPO obligations). Further, such renewable power in capacity terms shall also qualify for Renewable Generation Obligations (RGO obligations) for the generators as envisaged in the Tariff Policy and as and when notified by Government of India.”

2.6.4. No such notification has been issued under Tariff Policy and the Commission has thus not taken any view in this Amendment.

2.6.5. MSEDCL and TANGEDCO have submitted that many transmission assets have been created for evacuation of power from renewable energy generating station. However, there is no specific methodology to recover the cost of the transmission assets created for the purpose of RE evacuation and the cost of these assets are included in the PoC pool which socializes these cost. Therefore, a detailed comprehensive study is required to analyse the impact of waiver of POC charges & losses for RE generation on POC charges. TANGEDCO has also submitted that a detailed procedure / methodology to implement the waiver clause through the PoC mechanism should be devised before notifying the proposed amendment. TANGEDCO has also submitted that a Committee may be constituted to conduct a comprehensive study and analyse the technical & financial impact on the planning & operation of the ISTS and Intra-STS and DISCOMs which may consider the following aspects as enumerated at paragraph 2.5.9.

2.6.6. Based on suggestion of some stakeholders, the Commission referred the matter to Ministry of Power vide letter dated 19.7.2018. The letter reads as under:

“2. The Commission initiated the process for 6th Amendment in the CERC(Sharing of Inter-state Transmission System Charges and Losses) Regulations, in accordance with the aforesaid letter seeking to allow waiver for Wind and Solar Power Projects connected to ISTS network till 31.3.2022. This is under process of finalization.

3. It would be pertinent to mention here that during the public consultation process of the proposed amendment to Regulations, the Commission has received comments from various stakeholders voicing concerns over such waiver and its impact on financial viability of the sector.

4. It has been contended that addition of huge transmission capacity to evacuate RE power would have adverse impact on POC slab rates which effectively will have to be borne by the Designated Inter-State Customers (DICs) in the system. RE rich states will be burdened with sharing of additional transmission charges for fulfilling the obligations of the RPO of deficit states. Some stakeholders have recommended a detailed study to assess the impact of such waiver in the system.

5. It remain a fact that in order to achieve the target of 160 GW of Wind and Solar capacities by year 2022, huge transmission capacity for evacuation of such power would require to be added in the system. The Commission feels that a detailed study on impact of such waiver on the system would facilitate informed decision about such waiver requirement.

7. With due regard to the objective of achieving high target of RE capacity addition and with a view to addressing the concern shared by various stakeholders, the Commission would also like to seek feedback from the Ministry of Power on providing subsidy/grant to compensate waiver of transmission charges for Wind and solar power projects connected to ISTS network.

It would, therefore, be appreciated if comments of the Ministry of Power on the issue highlighted above, be communicated to us at the earliest, before finalizing amendments to the regulations. “

2.6.7. Based upon letter of CERC, the Ministry of Power took up the matter with MNRE, CTU and other organisations.

2.6.8. MNRE vide letter dated 31.1.2019 has stated as under:-

“2. This Ministry’s observation/comments on CERC’s letter and PGCIL’s study report are as under:-

- i) The waiver of ISTS charges is, in effect, socialization of cost among the larger consumer framework, instead of being borne by the purchase on the renewable power. The waiver will not result in any revenue loss, PGCIL report has computed an increase of Rs.0.12/kWh in the average transmission cost due to addition of 80 GW inter-state solar and wind capacity during 2019-22; this is

- in fact the socialized cost in lieu of the transmission charges that would have been paid by inter-state renewable power purchaser;
- ii) The calculations in the PGCIL report are erroneous. March 2018 transmission charges have been compared with that of March 2022 to suggest a 41% increase. Comparison to highlight the difference can only be done between the two scenarios (i.e. waiver and no waiver) in the same year. These apart, PGCIL in its analysis has assumed that out of 100 GW capacity of solar and wind to be installed between April, 2019 and March, 2022, 80 GW will be under ISTS, this appears to be too high. The trends and feedback from professionals suggests that ISTS component will only be around 50-60% of the total capacity addition . Thus the additional cost to be socialized would also reduce proportionately;
 - iii) With increase power demand, transmission infrastructure development is bound to grow whether the new generation capacity comes from renewables or conventional sources. Higher transmission cost of solar and wind power is due to the lower CUF of solar and wind power as compared to conventional power. CERC's suggestion for providing subsidy/grant to compensate the waiver is unfounded as this will go against the larger policy direction of incentivizing renewables for their positive externalities. A subsidy/grant would unnecessarily put unnecessary financial burden on the government for an objective that can be amicably met through socialization; and
 - iv) Waiver of ISTS charge on solar and wind capacity commissioned upto March 2022 is largely perceived as a potent tool to encourage setting up of the project in states that have greater resources potential and availability of suitable land. It also helps in creating a pan-India renewable power market, as generation in excess of the state's own requirement could be transmitted to the resource poor states without additional financial burden.

CERC has proposed draft 6th Amendment to the CERC(Sharing of Inter-state Transmission System Charges and Losses) Regulations to extend the waiver of ISTS charges and losses of wind and solar generators in accordance with the Ministry of Power notification of 13.2.2018 (http://www.cercind.gov.in/208/draft_reg/Noti27.pdf). The CERC may be requested to finalize the draft 6th Amendment as they have proposed vide the notification No. L-1/44/2010/CERC dated 27.4.2018. “

2.6.9. Subsequently, Ministry of Power has replied to CERC letter dated 19.7.2018 vide letter dated 7.3.2019 as under:-

“2. In view of the concern raised by CERC regarding waiver of ISTS charges and losses for wind and solar generators, the Ministry of Power vide letter of even number dated 2.8.2018 requested CTU to carry out a detailed study in consultation with Central Electricity Authority to assess the impact of waiver of ISTS charges and losses for wind and solar projects upto 31.3.2022 on additional requirement of huge transmission capacity for evacuation of RE power as well as financial viability of the sector.

3. MNRE was also requested vide OM dated 2.8.2018 to provide comments on the issue of providing subsidy/grant to compensate waiver of transmission charges for wind and solar power projects connected to ISTS network.

4. CTU/PGCIL vide letter dated 25.10.2018 submitted the report in consultation with CEA. The report submitted by CTU is attached. Comments of MNRE were also sought on the report of CTU.

5. MNRE vide OM NO.11/5/2019-EFM dated 31.3.2019 (enclosed) has submitted comments on the concern raised by CERC on the issue of providing subsidy/grant to compensate waiver of transmission charges for wind and solar power projects connected to ISTS network as well as PGCIL’s study report in the matter. On the subsidy issue MNRE has stated that ‘CERC suggestion for providing subsidy/grant to compensate the waiver is unfounded as this will go against the larger policy direction of incentivizing renewable for their positive externalities. A subsidy/grant would unnecessarily put financial burden on the government for an objective tht can be amicably met through socialization.

6. Ministry of power vide order dated 30.9.2016 granted waiver of ISTS charges and losses on transmission of electricity generated from solar and wind resources of energy under para 6.4(6) of the Tariff Policy, 2016. But this waiver is allowed only to those solar and wind projects that are awarded through competitive bidding process. Thereafter, based on the request of MNRE, the Ministry of Power vide order dated 13.2.2018 has extended the waiver of ISTS charges and losses for solar and wind power projects till 31.3.2022. However, this waiver was made available for solar and wind power projects entering into PPAs with all entities, including Distribution Companies, for sale of power from solar and wind power projects for companies of their RPO. Further, this ISTS charges waiver is available to solar and wind projects awarded through competitive bidding as per guidelines issued by the Central Government.

7. Considering the report of CTU and views of MNRE the Central Commission is requested to carry out suitable changes in the relevant Regulations to implement the Ministry of Power order dated 13.2.2018 for waiver of ISTS charges for solar and wind power projects till 31.3.2022.”

- 2.6.10. Based upon letters of MNRE and Ministry of Power, the Draft Amendment is being finalized. Other issues in paragraph 2.6.5 are beyond the scope of the Draft Amendment proposed.
- 2.6.11. As regards the suggestion of Mytrah Energy to amend the proposed regulation to allow the waiver of ISTS charges and losses to all wind & solar projects which to be bidded before 31.03.2022 instead of commissioned before 31.03.2022, we are of the view that the Draft Amendment has been proposed in view of the policy of the Government of India, Ministry of Power and the suggestion by the stakeholder is not in line with the said policy.
- 2.6.12. Further, with regard to Mytrah Energy suggestion to consider sub-station of STU having direct connectivity with CTU as deemed ISTS, we are of the view that the suggestion is beyond the scope of the proposed Draft Amendment.
- 2.6.13. MSEDCL has suggested that presently transmission projects costing nearly Rs. 57,000 crore are in progress & are proposed to be commissioned within next 18 Months. Further, there are several transmission projects in progress or are proposed for evacuation of power from proposed & to be proposed RE projects. MSEDCL has requested to consider funding of green corridor projects under PSDF scheme. MSEDCL may take up the issue with the Govt. for funding from PSDF scheme.
- 2.6.14. The Sharing Regulation was proposed to be amended as per MoP Order issued vide order No. 23/12/2016/R&R dated 13th February, 2018 under amended Tariff Policy.
- 2.6.15. Since, MoP has notified the said notification for ISTS charges and losses waiver for generation based on solar and wind resources on 13.2.2018, the amended Regulation has been made effective from date of notification of Order by MoP i.e. 13.2.2018.
- 2.6.16. The Sharing Regulations already has a provision of waiver of ISTS charges and losses for solar based projects commissioned/ to be commissioned between

1.7.2017 and 31.12.2019 and for wind based projects commissioned/ to be commissioned between 30.9.2016 and 31.3.2019. Since, MoP order dated 13.2.2018 would be effective from date of notification of Order by MoP i.e. 13.2.2018, the date “31.12.2019” in sub clause (y) to Clause (1) of Regulation 7 shall be substituted with the date “12.2.2018” and the date “31.3.2019” in sub clause (z) to Clause (1) of Regulation 7 shall be substituted with the date “12.2.2018”.

2.7. Based on above discussions, following amendment is effected to in the Sharing Regulations:

- (1) In sub-clause (y) to Clause (1) of Regulation 7, the date “31.12.2019” shall be substituted with the date “12.2.2018”.
- (2) In sub-clause (z) to Clause (1) of Regulation 7, the date “31.12.2019” shall be substituted with the date “12.2.2018”.
- (3) 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:

 - (i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government;
 - (ii) Such generation capacity has been declared under commercial operation between 13.2.2018 till 31.3.2022;
 - (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.”

sd/-
(I.S.Jha)
Member

sd/-
(Dr.M.K. Iyer)
Member

sd/-
(P.K. Pujari)
Chairperson

List of Stakeholders submitted written Comments/Suggestions

Sl. No.	Name of Stakeholder
1.	Axis Energy Ventures India Private limited
2.	Indian Wind Energy Association (InWEA)
3.	Indian Wind Power Association (IWPA)
4.	Indian Wind Turbine Manufacture Association (IWTMA)
5.	MSEDCL
6.	Mytrah Energy
7.	NALCO
8.	TANGEDCO