

To,

01 Dec 2019

The Secretary

Central Electricity Regulatory Commission

3rd & 4th Floor, Chanderlok Building,
Janpath, New Delhi – 110 001

Sub: Submission of comments/suggestions on Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

Dear Sir,

We would like to thank Hon'ble Central Electricity Regulatory Commission for bringing the necessary amendments in captioned matter and providing us the opportunity to give our comments/suggestions on the same.

We take this opportunity to apprise you that we at "ACME" have successfully installed around 2500 MW of Solar Power Projects and additional 2100 MW of Solar Power Projects are under various stages of construction and commissioning across pan India. Our vision is to supply clean power from our Solar PV based power generation facilities at very competitive tariff to make it affordable for every section of the society.

We would like to submit our comments/suggestions on the draft regulations which may be considered by Hon'ble Commission.

Thanking you,

Authorised Signatory

M/s ACME Solar Holdings Limited

ACME Solar Holdings Limited

(CIN: U40106DL2015PLC337832)

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ACME Comments on Draft CERC Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019

S. No.	Existing Clause	Suggestions	Rational
1	<p>11. Transmission charges in specific cases</p> <p>(4) Where COD of a generating station or unit(s) thereof is delayed and the Associated Transmission System has achieved COD, which is not earlier than its SCOD, the generating station shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to capacity of generating station or unit(s) thereof which have not achieved COD.</p> <p>Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations.</p>	<p>Transmission charges of system associated with Wind and Solar generating stations covered under sub clause 11 (a), 11(b) and 11 (c) of these regulations shall be computed as provided under Regulations 5 to 8 of these Regulations and recovered from DICs which does not fall under the category of those generating stations as mentioned above</p>	<p>It is contradictory to proposed regulation 11 (1) (d) which states that Long term and Medium term Open Access granted for Wind and Solar will be excluded from computation of transmission charges. If the charges are excluded from computation then there is no burden on CTU.</p> <p>Further, any delay in commissioning of Solar and Wind generating stations attracts penalty as provisioned under PPA, levying any further transmission charges will be huge risk to the developers and may prove to be a big impediment in growth of RE.</p> <p>Also, it is pertinent to note that there is no such penalty in STU connected projects while taking LTOA/MTOA. Hence this clause suppress promotion of CTU connected RE projects which is against preamble of Electricity Act which</p>

			<p>envisages promotion of RE.</p> <p>Once the transmission charges and losses are waived off for RE, it should not be made applicable to developers in any case as there is clause under PPA to address such issue.</p>
2	<p>16. Letter of Credit</p> <p>(1) Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, as the case may be, each DIC shall, through a scheduled bank, open an irrevocable, unconditional and revolving Letter of Credit or any other acceptable payment security mechanism in favour of the Central Transmission Utility, to be made operative from a date prior to the Due Date of its First Bill and shall be renewed annually</p>	<p>16. Letter of Credit</p> <p>(1) Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, as the case may be, each DIC shall, through a scheduled bank, open an irrevocable, unconditional and revolving Letter of Credit or any other acceptable payment security mechanism in favour of the Central Transmission Utility, to be made operative from a date prior to the Due Date of its First Bill and shall be renewed annually</p> <p>Provided that Solar and Wind generating stations covered under regulation 11(a),11(b) and 11(c) shall be exempted from furnishing LC under these regulations.</p>	<p>Once transmission charges are waived off then there is no requirement of furnishing LC as it is only payment security for payment of transmission charges which is waived off for RE.</p>
3	<p>Additional Clause</p>	<p>In case of delay in commissioning of generating stations due to any reason then it shall communicate the delay to CTU by atleast 30 days prior to commissioning of system by CTU to match the commissioning timelines of both generating station and evacuation infrastructure</p>	<p>This will remove idling of system and better utilization of resources.</p>

4	Additional Clause	<p>Event of Default of Transmission Licensee</p> <p>1. Transmission licensee failed to initiate construction of the required evacuation infrastructure even after 30 days from when it was required to initiate</p> <p>2. Transmission licensee failed to achieve monthly progress of work for continuous three months period</p>	This will ensure accountability of system developer and timely completion of evacuation infrastructure
5	Additional Clause	<p>Procedure in case of Transmission licensee event of Default</p> <p>1. DIC shall be entitled to terminate all agreements with licensee without any liability</p> <p>2. DIC shall be indemnified for any kind of loss by CTU</p>	Developers must be allowed to exit from the agreement or get compensated on its own discretion if any such event of default occurs
6	Additional Clause	<p>Force Majeure</p> <p>1. Any Force Majeure event to the generating stations identified and acknowledged by appropriate agency shall be covered under Force Majeure and in all such cases, generating stations shall be entitled for appropriate extension in all the timelines as mentioned under LTA and Transmission Service agreement</p> <p>2. Continuation of any force majeure event to the licensee or generating stations by more than three months shall entitle generating stations to exit from the agreement with no liability</p>	Regulations should provide appropriate relief to developers in case of force majeure events as it is beyond the control of developers and hence SPDs cannot be punished under such situations
7	Additional Clause	In case of change of location by Solar and Wind generating stations due to force majeure as provisioned under bidding documents then there shall be	If developers change project location due to force majeure then there should not be any penalty or

		no penalty or liability to the generating stations under these regulations	charges to developer under these regulations
8	Additional Clause	In case of any delay in commissioning of evacuation system by CTU then generating stations shall be entitled to refund of Bank Guarantees submitted if any.	Any such delay was not factored in by SPD while quoting the tariff. BG comes with a cost and delay has added cost. Therefore, SPD must be protected from this additional cost which is not due to its fault.

Yours Sincerely
FOR ACME SOLAR HOLDINGS LIMITED

Authorised Signatory