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**Date:** 6 February 2020 at 12:27:58 PM IST

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**Subject:** **Comments of APPCC on draft POC Regulations, 2019**

Sir,

The views and comments of APPCC on the draft notification of CERC Sharing of Inter-State Transmission Charges and Losses Regulations, 2019 uploaded in the E-Regulation Module of CERC website on 26.12.2019 are attached herewith for consideration please.

With Regards,

O/o.CE/Comm./APPCC Wing.

**APTRANSCO/APDISCOMs -Comments on the CERC draft POC Regulations, 2019**

| Sl.No | Provision/brief narration as per existing draft  | Comments/Suggestions  |
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| 1     | Provision <b>5 (3)</b> , coverage of National Assets in National Component.  | 100% Transmission Charges of Biswanath Chariali / Alipurwar – Agra HVDC Transmission System has been covered under National component. Whereas other major HVDC links such as Kolar-Talcher HVDC link (connecting Eastern-Southern), Raigarh & Pugalur HVDC Line (connecting Western-Southern) etc are in Regional Components with 70% Cost coverage and remaining 30% cost coverage in National component. The specific reasons for special treatment to Biswanath Chariali / Alipurwar – Agra HVDC Transmission System are not spelled out. It is requested to cover all High Capacity Power Corridors consisting of HVDC Transmission Systems connecting two different regions should be treated as Regional Assets duly taking into account the objective & purpose of the project. |
| 2     | Under clause <b>6 (2)</b> it is stated that: Transmission charges covered under sub-clause (a) of clause (1) of this Regulation shall be shared by the Drawee DICs in the ratio of their quantum of Long Term Access plus Medium Term Open Access. | The same is suggested to be reworded as following:<br>Transmission charges covered under sub-clause (a) of clause (1) of this Regulation shall be shared by the Drawee DICs <b>of the same region</b> in the ratio of their quantum of Long Term Access plus Medium Term Open Access.   |
| 3     | <b>10. Sharing of Transmission Losses (3):</b><br>No transmission loss for ISTS shall be applicable while preparing schedule for injection node including that for Collective Transactions over the Power Exchanges                                | In the existing practice / Regulation Losses are attributed to injection entities also even in collective and short term transactions. The losses are to be shared by both the seller and the buyer, hence the exemption of seller alone cannot be admitted.  |
| 4     | Under clause 11 with regard to Specific Cases-certain exemptions to Wind & Solar (RE) plants have been granted.<br><br>As per Clause 11 (1) (d) - Long Term Access and Medium Term Open Access   | As per the draft Regulation provisions 4 (2) and 4 (4), transmission systems developed for renewable energy projects as identified by the Central Transmission Utility are qualified as National Component-Renewable Energy and Transmission charges for the National Component shall be shared by the drawee DICs in the ratio of their quantum of Long term Access plus Medium Term Open Access.  |

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|   | <p>for Cases covered under sub clause (a), (b) and (c) of this Clause shall be excluded from the computation of transmission charges under Regulations 5 to 8 of these Regulations.</p>   | <p>Further, as per the provisions of the draft Regulation under clause 11 (1) (d)-LTA &amp; MTOA pertaining to RE concessionaires shall be excluded from the computations of Transmission Charges.</p> <p>That implies, the charges are getting socialised on all paying parties across the Country under these regulations. This is very unfair. The States are fulfilling the commitments given by Gol as part of Intended Nationally Determined Contributions (INDCs) and developing the RE sources duly bearing additional costs in terms of Adequacy Cost, Balanign Cost and Grid integration cost. The same was also confirmed by the highest technical arm in the Country in so far as power sector is concerned i.e Central Electricity Authority (CEA).</p> <p>Since these are the mandates of Central govt, and the concessions have been granted at the insistence of Gol, the Ministry of Power or Ministry of NRE has to arrange to compensate the waivals or concessions extended towards transmission charges and losses and relieve the States from bearing the burden. The allocated cost component shall be directly chargeable to the Gol. Suitable amendment may please be incorporated in the Regulation.</p> |
| 5 | <p>As per <b>clause 12</b> of the draft Regulation:- An Intra-State Transmission System already certified by the respective Regional Power Committees being used for inter-State transmission of electricity and for which tariff has already been approved by the Commission, shall be covered under these Regulations: Provided that such intra-State Transmission System shall be included under these Regulations only for the tariff period for which tariff has already been approved by this Commission.</p> | <p>The tariff for Deemed ISTS Lines (Intra State Lines carrying Inter State Power as certified by the concerned RPC based on a criteria) is to be determined by the concerned SERC. The criteria for qualifying a particular InSTS line is to be specified by the CERC itself in the present Regulation. At least 33.33% of the line flow is attributed to ISTS generation in a month, is to be include into the calculations.</p>   |
| 6 | <p><b>13. Billing (2)-c ii</b><br/>In case of aggregate metered ex-bus MW</p>   | <p>The transmission charges for the entire transmission assets are derived from the long term and medium-term open Access customers.</p>   |

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|    | <p>withdrawal/ injection in any TB exceeds the sum of LTA and MTOA, the concerned DIC shall be charged for such deviations @ 1.2 times of the Transmission Deviation rate.</p>  | <p>The Utilities are having long term open access for quantum enough to satisfy their demand. Due to inadequate coal allotment to APGENCO, Generation at their Thermal Stations is not available. Therefore Discoms have to rely on external purchases through STOA from market with higher cost.</p> <p>As per this regulation the excess of the short term transactions will be charged at 1.2 times. It will be additional burden to Discoms.</p> |
| 7  | <p>In 13 (2) (C) iii (a) it is stated that, the Transmission Deviation Rate for a State shall be charged at 1.20 X (transmission charges of the State for the Billing month)/ (quantum of Long Term Access plus Medium Term Open Access of the State for the Billing month)</p> | <p>The penal charge of 20% additional on account of Transmission deviation is stringent on the DICs which is ultimately passed on to the DISCOMs which are reeling under financial distress. In view of this, it is requested to specify Transmission deviation rate as 1.10X transmission charges of the State for the Billing month.</p>   |
| 8  | <p>13 (2) (C) iii (b) it is stated that, the Transmission Deviation Rate for generating stations and <b>bulk consumers</b> shall be charged @ Transmission Deviation Rate for the State where the generating station or <b>bulk consumer</b> is located.</p>                    | <p>The term “<b>Bulk Consumer</b>” is not defined in the Regulation. It is requested to define the Term “Bulk Consumer” with more clarity. Applicability, pros &amp; cons of these Regulations to the Bulk Consumer may please be spelled out.</p>   |
| 9  | <p>13 (3) : No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.</p>  | <p>Non levying of any kind of transmission chares for Short-Term Open Access Transactions is incorrect and unreasonable. Almost 5% to 10% of power is being transacted through Short-Term in bilateral market or through exchanges or DEEP E-bidding portal. A mechanism to price the short term usage of ISTS may be incorporated along with responsibilities on billing &amp; collections.</p>   |
| 10 | <p>In clause 21 (2) it is stated that the, Implementing agency shall notify on its website, the peak block for the billing month on first day of the following month.</p>   | <p>It is requested to add proviso stating that all the States need to submit the details of Intra State Generation injections / Drawals as may be required by the Implementing agency, for the same notified time block subjected to the scrutiny by RLDCs/RPCs.</p>   |