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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Identity Number (CIN):U40109KA1999SGC025521

Registered Office of the Company:
Corporate Office,
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No. KPTCL/B36/2019-20/1511/1721
Dated: 29.11.2019

Encl: *As per Letter- 6 Pages*

The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor,
Chanderlok Building,
36, Janpath, New Delhi-110001

Sir,

Sub: Suggestions/Comments on "Draft CERC (Sharing of Inter-State Transmisison Charges and Losses) Regulations, 2019-Regarding

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I am directed to submit the Suggestions/Comments of KPTCL on the Draft CERC (Sharing of Inter-State Transmisison Charges and Losses) Regulations, 2019 as enclosed.

I request you to consider these Suggestions/Comments while notifying the final version of the Regulations.

Yours faithfully,

Financial Advisor (RA)
29/11

Suggestions/Comments of KPTCL on Draft CERC (Sharing of Transmission Charges and Losses) Regulations, 2019

Sl. No	Reference of CERC Draft Regulation	Proposed Suggestions/Comments of KPTCL
1		Illustrations depicting the impact as per the existing PoC method and the proposed method could have given clarity to the entire proposal.
2	**'Basic Network'** means the power system of the country at voltage levels 132 kV and above including HVDC transmission network, to which the Generating Stations and loads are connected; and at voltage level of 110 kV and above to which Generating Stations are connected;	The transmission of power in the state network is at voltage levels of 66 kV, 110kV, 220kV and 400kV. Hence the basic network of the country should be modelled up to 66 kV voltage level. The definition of basic network shall be - **'Basic Network'** means the power system of the country at voltage levels 66kV and above including HVDC transmission network, to which the Generating Stations and loads are connected. Network Voltage level from 110kV/66kV and above may be considered as 50% of Network in some of the States are covered with 110kV and other 50% is under 66kV Voltage level (The network simulation would be more appropriate by considering 110kV/66kV voltage level), as a number of generating stations (Wind, Solar, Bio-mass and Hydro) are connected to 110 kV/66kV buses.
3	Use of Term 'Designated ISTS Customer'(DIC) under Regulation 3(2), 3(3), 5(5), 6(2,3,4,5), 8(3,5,6), 9(3,9),10(2),11(5,9)	The term Designated ISTS Customer (DIC) is used without specifying whether it is Generating Station, STU or Distribution Licensee. More clarity shall be introduced

		under 3(2), 3(3), 5(5), 6(2,3,4,5), 8(3,5,6), 9(3,9),10(2),11(5,9)
4	7(2) Transformers Component of transmission charges shall be borne by the State in which they are located.	The transformer component charges shall be taken into account based on the drawl of power by the states through downstream network irrespective of the state in which they are located. For example there is a 765/400 kV substation situated in Raichur in Karnataka connected with 765kV lines from Sholapur and Karnool and 400 kV lines connected at one end to RTPS thermal generating station (1720 MW) and the other end connected to Gooty in Andhra Pradesh. In this case the 765/400 kV substation in no way facilitates Karnataka to draw ISTS power into its STU network. Further, in case of 400/220 kV ISTS substation one or two lines feeding to other States are to be apportioned properly to such State (Hence, the transformer component cannot be loaded only on to the State where the transformer is located).
5	9(1) The Base Case file shall be prepared by the Implementing Agency for the Peak Block of the month comprising of the following: (a) Basic Network, which shall be the network file for the power system for the peak block of the month; and. (b) Actual generation and demand, in MW, at each node of the Basic Network for the Peak Block.	It is suggested that the data of Natural ISTS and Non ISTS Lines of STU should also be included.

6	9 (5) Percentage usage of each transmission line shall be computed by dividing power flow in the Base Case as obtained at clause (4) of this Regulation by Surge Impedance Loading of the line.	As per the draft regulation, the usage based component (AC-UBC) is computed by dividing actual power flows by Surge Impedance Loading (SIL). It is proposed that instead of SIL the thermal loading of the transmission system may be considered for computation of usage based component. Also in "Manual of Transmission Planning Criteria" of CEA in para 5 (5.2a) it is specified that the loading limit for transmission element shall be its thermal loading.
7	11(1)(c)(2) Such generation capacity has been declared under commercial operation between 13.2.2018 and 31.3.2022;	The date 31.3.2022 to be replaced by 31.12.2022 as per MoP Order dated 6.11.2019.
8	11(5)Where Long Term Access to ISTS is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is delayed, the generating station shall pay transmission charges @10% of transmission charge for the State where it is located for the quantum of such Long Term Access. 11(7) In case the generating station or unit(s) thereof has achieved COD and transmission system is delayed, the concerned transmission licensee(s) shall make alternate	Under Regulation 11(5) delay in achieving CoD by Generating Station results in payment of 10% transmission charges to Transmission Licensee whereas under Regulation 11(7) delay in completing the evacuation lines by Transmission Licensee results in payment of full transmission charges to Generating Station. The rationale for charging Generator to an extent of only 10% is not justified. Hence it is suggested to have uniform charges for delay by Generator or Transmission Licensee. Further, the term **'delay'** needs to be defined clearly. In most of the cases where

	arrangement for dispatch of power in consultation with Central Transmission Utility at the cost of the transmission licensee(s). Provided that till such alternative arrangement is made, the transmission licensee (s) shall pay to the generating station the transmission charges proportionate to Long Term Access for the transmission system which is delayed.	delay has occurred is mainly for reasons beyond the control of the Transmission Licensee like Right of Way issues, Land/Forest clearances from Statutory Bodies and other force majeure conditions. Such aspects are to be considered in the Regulations while charging the Transmission Licensee for any delay in completion of evacuation lines.
9	(12) 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.	As stated in the draft Regulations, Intra-State Transmission System already certified and tariff determined by CERC for the tariff period are only considered. However, it is not clear on considering the same in the future. Hence, Clarity is required on considering the existing Natural ISTS Lines and Non ISTS Lines of STU in the proposed Regulations for future period.
10	13(2)(c)(ii) In case aggregate metered ex-bus MW injection or the aggregate metered MW drawal of a DIC, in any time block exceeds the sum of Long Term Access and Medium Term Open Access, the	Transmission deviation rate for a State shall be charged at the normal rate upto 20 % of deviation more than the LTOA + MTOA of the State. This provision is required to accommodate variation in RE generation compared to the

	concerned DIC shall be charged for such deviations @ Transmission Deviation Rate as determined below.	forecasted quantum as Karnataka is a renewable rich state with installed capacity of more than 14000MW of RE and also required for sudden unforeseen tripping of major generating units like Kudgi , Bellary thermal power station and UPCL . Above the deviation of 20%, the transmission deviation rate shall be charged at 120% of the normal rate. Further, the DSM Regulation also allows a dead band of 150-250MW for the States for deviation. Similarly, for transmission deviation there shall be a cushion of 20% deviation allowed to take care of any internal generation failure. Hence it is suggested to allow 20% MW margin beyond the sum of Long Term Access and Medium Term Open Access and Transmission Deviation beyond this Margin shall be considered for deviation charges.
11	13(3) No transmission Charges shall be levied for Inter-State transmission system in respect of Short Term Open Access transactions.	The State is already paying all the YTC (transmission charges) of CTU proportionate to the entire LTOA +MTOA+ STOA quantum of the State. The State has to collect the Inter-state transmission charges for the Short Term Open Access transactions. Hence, it is suggested to continue with levying transmission Charges for Inter-State transmission system in respect of Short Term Open Access transactions as existing in the present Regulations.

12	17(6) Delayed payment in a month by any DIC shall result in pro-rata reduction in disbursement to the inter-State Transmission Licensees and intra-state licensees whose assets are included in Yearly transmission Charges.	Under Regulation 17(6), assets of intra state licensees for YTC are also included. However, the Regulation does not indicate elsewhere, how the Intra State assets are considered for YTC.
13	20(2) The software for the implementation of these regulations shall be audited or cause to be audited by the Commission before it is put to use, and thereafter from time to time as may be decided by the Commission.	Suggested to include demonstration of the software to DICs paying ISTS charges as under Regulation 12(4). The Distribution Licensees paying CTU Transmission Charges are required to know about what they are paying for.

Financial Advisor (RA)
KPTCL