



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

Public Hearing: 29-1-2020

Existing PoC mechanism

- In consonance with EA,2003 , NEP & NTP
- Sensitive to distance, direction & quantum of power flow
- Charges of DIC proportion to their usage
- Based on sound scientific principles
- Enabled power market
- Helped in reducing congestion
- Transmission system grew @20% CAGR.

Proposed changes due to:

- Request by some States citing High PoC charges for their DISCOMs

Reasons identified for High PoC charges for some DICS

Non equitable sharing of

- Cost of National Assets
- Cost of transmission of large RE projects in RE rich states

Underutilization of Transmission system

- States using under utilized transmission system loaded with high PoC charges.

PoC charges based on projected load flow

- leads to skewing of transmission charges

Response to proposals in the draft Regulations

1. Sharing of transmission charges on post facto basis

- Acceptable

2. Proposal for sharing of cost of few HVDC lines as National Assets :

Acceptable with inclusion of **Raigarh-Pugalur-Madakkathara HVDC line**

- Not based on LTA application
- Assigned for RE evacuation from SR to rest of Nation
- Strengthens NEW-SR grid interconnection
 - Huge surplus thermal generation in Chattisgarh
- Asset of national importance similar to Biswanath - Agra HVDC system

Response to proposals in the draft Regulations

3. Proposal for sharing cost of transmission asset of RE on LTA + MTOA basis

- Acceptable with following modifications
 - Zero cost lines shall be switched off for LFS & usage assessment.
 - Assigning 'zero cost' only for dedicated lines upto the pooling station
 - Green Energy Corridors & Solar Park fiscal benefits to be accounted

This will address double benefit accruing on DICs using these lines

4. Proposal on Regional Component & Transformer Component Acceptable

5. Proposal on loss computation on all India basis: Acceptable

Response to proposals in the draft Regulations

4. Proposal for sharing of cost of AC Transmission lines on AC-UBC and AC-BC basis

- ❖ Sharing of AC-BC on LTA+MTOA
 - Not in consonance with EA 2003 & Tariff Policy
 - Promotes non optimal transmission investment
 - Lead to socializing cost of lapses of private generators.
 - Not based on scientific principles
 - Fails in safeguarding interest of consumers by passing on unreasonable cost.

Response to proposals in the draft Regulations

4. Assessing BC of AC Transmission lines

- ❖ Treating difference between SIL capability and loading in a block as BC not in line with the statutory planning criteria.
 - CEA Transmission planning criteria: N-1 and N-1-1 contingencies
 - Socializing of cost of reliability margin to those not benefitted is not equitable.
 - Benefits of redundant capacities not same among DICs; many face curtailments.
 - Benefit of balance capacity accrue mostly to those who use it in normal scenario

Response to proposals in the draft Regulations

- ❖ Issue of underutilization of ISTS due to relinquishment is grave
- ❖ Committee has looked at LTA related to 9 HCPTCs only (23,051MW of relinquishment)
- ❖ The real picture is worrisome- **55,129MW out of 94,810MW LTA (IPPs) is not operational.**

LTA applied Vs utilized

LTA granted (30-11-2019)	114625.4	MW
LTA Relinquished/revoked	36118.4	MW
Present LTAO/LTA	69523.3	MW
LTA under operation	43021.3	MW
Utilization	37.5	%

As per RTA (November 2019)	LTA utilized	
CGS LTA	70136.16	MW
IPP LTA	39681.61	MW
LTA granted to IPPs	94810.94	MW
% utilization by IPPs	41.85	%
Quantum unutilized	55,129	MW

Information from CTU & RPC website

Response to proposals in the draft Regulations

- Presently DICs using under utilized assets are burdened
- Present proposals shifts that burden to another set of DICs inequitably.
- Not effectively using provisions in Regulations on
 1. Delay in CoD of generation
 2. Passing on relinquishment charges from IPPs

Suggestions based on legal framework

1. Treatment of Relinquishment charges to reduce burden of DICs
2. Mismatch in CoD of Generation & Transmission to be regulated strictly
3. Special tariff for underutilized lines
4. Charges for Connectivity
5. Bring back 'injection charges' for LTA/MTOA

Entire **AC transmission line cost** on usage basis

Other issues

- **Charges for STOA**
 - For non-DICs STOA charges shall be the transmission deviation charges applicable for the respective State.
- **Transmission Deviation**
 - Transmission deviation may be fixed as
 - drawal exceeding LTA + MTOA + Approved STOA + STOA of intra state entities.
 - Alternatively, Deviation due to STOA shall be at same rate as transmission charges of the State
- **Requisitioned Surplus**
 - Deemed LTA shall be weighted average basis only

Thank You