

**OFFICE MEMORANDUM**

**Subject: Comments/suggestions of Ministry of New and Renewable Ministry(MNRE) on Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019.**

This is in reference to the draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 issued on 02-10-2019 for comments/suggestions/objections.

2. In this regards, the comments/suggestions of this Ministry are as given below:

a) RE Projects setup beyond RPO compliance. Waiver of ISTS charges & losses may be given to renewable Projects also setup beyond RPO compliance. This will incentivize sale of solar and wind power by States who have installed solar and wind power capacity more than RPO limit prescribed by the Central Government.

b) Wind Solar Hybrid Power System: The hybridization of wind and solar power with or without energy storage is an alternative solution for optimum utilization of available resources with higher throughput and reliability. In this regard, this Ministry has already issued National Wind Solar Hybrid Policy. Solar Energy Corporation of India Ltd. has awarded around 1440 MW capacity of wind solar hybrid projects through tariff based competitive bidding process.

Hybrid power projects consisting of wind and solar with or without battery storage (where charging of battery storage is from wind or solar power) may be included for ISTS waiver applicable from the date of issuance of original order, i.e. 13th February, 2018.

c) Solar projects setup under CPSU Scheme Phase-II: The waiver of inter-state transmission charges and losses on transmission of electricity generated may be applicable for solar PV power plants set up under Ministry of New and Renewable Energy's (MNRE's) Central Public Sector Undertaking (CPSU) Scheme phase-II (12,000 MW), even if the said solar PV power plants are commissioned after 31st March, 2022.

d) Solar projects setup under SECI's Tender for Solar PPAs linked to Solar PV manufacturing: The waiver of inter-state transmission charges and losses on transmission of electricity generated may be applicable for setting up of ISTS Connected Solar PV Power Plants linked with Setting up of Solar Manufacturing Plant under SECI's Global Competitive Bidding tender linked to Solar PV manufacturing, even if the said solar PV power plants are commissioned after 31st March, 2022.

e) RE Projects setup in Ultra Mega Renewable Energy Power Park (UMREPP): The waiver of inter-state transmission charges and losses on transmission of electricity generated may be applicable for RE Projects setup under EPC mode in the UMREPP of the MNRE's Solar Park Scheme

f) It has been categorically mentioned that ISTS waiver shall be given if the generation capacity stand declared under commercial operation. It is proposed that in place of the same, it may be mentioned that transmission projects once completed shall be put under POC without any linking of commercial operation of renewable generation projects. This will secure the interest of the transmission system provider, who are constructing the transmission lines.

g) In case there is time gap between commissioning of transmission system and RE generation, the cost for transmission for delay period is to be borne by the RE generators. It has been found that RE Projects get delayed on various accounts, such as delay in tendering, fixation of tariff by regulator, delay in commissioning of RE projects due to force measure or delay on account of

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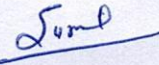
reasons by state/central government etc, and in such case a gap arises between commissioning of transmission system and RE generation. In all such cases, RE generator is expected to bear the cost for transmission even if the RE project got delayed for no fault of his. Therefore, it is felt that the payment of transmission cost between the period of commissioning of transmission system and injection of power by RE generators also needs to be socialised in the same manner as is done for the transmission system after the RE generators are commissioned.

LTA granted to any renewable generator, does not come in time as per LTA timeline and if they are not given any extension by the Government Nodal Agency, then they need to pay the Transmission charges as per the existing provision and these charges may be kept as a pool for deduction of transmission charges of respective DISCOMS.

h) Government of India has planned 66.5 GW transmission system for renewable generation systems, which are under different stages of construction. As per the plan, the transmission system will start coming from December, 2020 onwards and may continue upto December, 2022. It is proposed that the ISTS waiver shall be continued of upto 31<sup>st</sup> December, 2022 for all the renewable projects which have been awarded before that date and whose Scheduled Commissioning Date as per initial award is before this date. This will ensure the proper utilization of transmission system and give a big boost to the renewable generation.

i) As nation has set the target of 175 GW RE power by 2022 and 450 GW RE power by 2030, renewable generation plants are to be installed to meet the existing and incoming demand. These plants not only helping in maintaining better environment but also commitment given to World Forums shall also be met. It is, therefore, proposed that existing ISTS waiver for the RPO obligation, need to be given to the all renewable generating plants connecting to the ISTS grid whether, it is being used for the RPO obligation or not.

3. This has been issued with the approval of Competent Authority.



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Copy to,

Sr PPS to Secretary, MNRE