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(भारत सरकार का उद्यम)

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सं./No. NEEPCO/ND/F-84/2019-20/963

दिनांक/Dated 14.01.2020

सेवा में/To,

सचिव/The Secretary

केंद्रीय विद्युत विनियामक आयोग/Central Electricity Regulatory Commission

तीसरी एवं चौथी मंजिल/3rd & 4th Floor,

चंद्रलोक भवन/Chanderlok Building,

36, जनपथ, नई दिल्ली-01/36, Janpath, New Delhi-01.

विषय/Sub: Comments on draft CERC (Sharing of Inter-State Transmission Charges & Losses) Regulations, 2019-Reg.

संदर्भ/Ref: CERC Public Notice No L-1/250/2019/CERC dated 31.10.2019

Dear Sir,

This has reference to the above. Please find enclosed, at **Annexure-A**, NEEPCO's comments/suggestions on the draft CERC (Sharing of Interstate Transmission Charges & Losses), Regulations, 2019, for your further needful. The soft copy of the same is being e-mailed to secy@cercind.gov.in and shilpa@cercind.gov.in.

Thanking you,

Encl: As above

Yours faithfully,

(ई. पिरबट)

उप महा प्रबन्धक (ई)

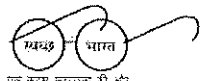
नीपको लिमिटेड, नई दिल्ली-66

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एक जगत् एकता की ओर

**NEEPCO's Comments on Draft CERC
(Sharing of Inter-State Transmission Charges & losses) Regulations, 2019**

Cl. No	Regulation	NEEPCO's observation
2(1)	Definition	The definition of Implementation Agreement may be provided whereby the timelines and mechanism are laid down and adhered to for the co-ordinated execution of the generation and transmission projects. This will fundamentally take care of the issue of mismatch in declaration of COD of generating station & associated transmission system.
11(4)	<p>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>The following aspects may be considered in the proposed regulations:</p> <p>Under Regulation 6.3A of the IEGC for trial operation of a generating unit, specific requirements include readiness of transmission system prior to COD of the first generating unit for testing and commissioning thereon. An appropriate Implementation Agreement incorporating commissioning of the Generating units/Station and the Transmission system in a co-ordinated manner may be formulated keeping the above aspect in view. Hence NEEPCO requests the Honourable Commission to exclude the hydro generating stations from payment of penalty by way of "Yearly Transmission Charges" in conformity with the Tariff Regulations, 2019.</p> <p>If however the COD of the first Unit of Generating Station is delayed as per schedule arrived at in the Implementation Agreement, payment of transmission charges may be made pro-rata to the period of delay instead of "Yearly Transmission Charges.</p> <p>The uncertainties and difficulties associated with the setting up of a Hydro Power plant are numerous resulting in unwarranted time and cost overruns. In view of this, waiver of payment of Yearly Transmission Charges may be incorporated if the COD of the Station is delayed for reasons beyond the control of generating stations.</p>
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.	As the long term access has been granted based on existing margins and delay in COD of generating station has not caused any extra burden on the existing users, no transmission charges may be charged during the period of delay of the generating station. The margin may be used by other DICs till such time.

Cl. No	Regulation	NEEPCO's observation
11(6)	<p>Where operationalization of Long Term Access granted to a generating station is contingent upon COD of Associated Transmission System consisting of several transmission elements and only some of the transmission elements have achieved COD, the generating station may seek part operationalisation of Long Term Access. The Central Transmission Utility shall part operationalize Long Term Access corresponding to the capacity sought to be operationalized by the generating station, subject to availability of transmission system. The Yearly Transmission Charges for such transmission elements shall be included in Regulations 5 to 8 of these Regulations.</p>	<p>In case of Central Generating Stations (CGS), PPA for sale of power to beneficiaries or Discoms is at ex-bus and on long-term basis. The responsibility of arranging the evacuation of power is entirely on the beneficiaries. Through the PPA the beneficiaries have authorised the generating station to initially apply for long-term access on their behalf. After grant of LTA, LTA/other Agreements are signed by the beneficiaries and the transmission licensee. As the sale is ex-bus, the responsibility of power evacuation rests entirely on the beneficiaries. The liability of payment of transmission charges lies on the beneficiaries as per provisions of CERC Regulations. In view of the above, it is suggested that Regulation 11 (6) may be modified to include Long Term Customers (who have signed the LTA Agreement) for operationalization the part LTA. Under such circumstances, CTU may operationalize the part LTA based on availability of transmission system on request made by CGS for scheduling of power. In such cases, this will avoid bottling up power of CGS where beneficiaries are long term customers.</p>
11(7)	<p>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 arrangement for dispatch of power in consultation with the Central Transmission Utility at the cost of the transmission licensee(s).</p> <p>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.</p>	<p>In case of central generating stations, the beneficiaries are long term customers / DICs who are long-term users of the transmission system. In other words they are the signatories of the LTA Agreement or TSA with the transmission licensee. Therefore, scheduling of such power through alternate arrangement shall also be under long term access. Moreover, in case of delay in generating station, the generating station pays 100% transmission charges whereas in case of delay in transmission there is no such compensation. This lack of level playing field needs to be addressed suitably. In case alternate arrangement is not made, then the transmission licensee needs to compensate the generator. It is suggested that compensation may be fixed at certain percentage of fixed charges payable by the transmission licensee to the generator in case of delay in transmission and the same percentage of transmission charges payable by generator to the transmission licensee in case of delay in generation.</p>
11(11)	<p>Where a transmission system has been declared to have achieved deemed COD in terms of Transmission Service Agreement under Tariff Based Competitive Bidding (TBCB) or the Commission has approved the date of commercial operation of such</p>	<p>The comments against Regulation 11(4) and 11(7) are equally valid in case of Regulation 11(11) also.</p>

Cl. No	Regulation	NEEPCO's observation
	transmission system in terms of Clause (2) of Regulation 5 of Tariff Regulations, 2019 or proviso(ii) to Clause (3) of Regulation 4 of the Tariff Regulations 2014, the transmission licensee or generating company whose transmission system or generating station or unit thereof is delayed shall pay the transmission charges of the transmission system till the generating station or unit thereof or the transmission system achieves COD.	

Some of the Generating Stations are turning into Intra-state power plants from their status of "Interstate" power plants as envisaged in their original sanction due to subsequent commercial factors like viability of tariff etc.

As a result after their commissioning, these plants are facing huge evacuation constraints/transmission bottlenecks/lack of redundancy etc. Therefore, all central sector power plants should have direct access to the National Grid all through the CTU network with complete redundancy fulfilling (n-1) redundancy criteria eg. 60 MW Tuirial HE Project in Mizoram, where direct connection on CTU network is not available resulting in many bottlenecks.

K. R. Bhat