



एनएचपीसी लिमिटेड
(भारत सरकार का उद्यम)

NHPC Limited
(A Government of India Enterprise)

संदर्भ सं./Ref. No. NH/Comml./Tariff/29/2019/2771

फोन/Phone : _____

दिनांक/Date : 29.11.2019

Secretary
Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36 - Janpath, New Delhi- 110 001
Fax: 011-23753923

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

Ref:- CERC Public notice No. L-1/250/2019/CERC dated 31.10.2019

Sir,

In reference to above public notice dated 31.10.2019, the comments / suggestions of NHPC on the draft CERC (Sharing of Inter-State Transmission Charges & Losses) Regulations, 2019 are enclosed for further necessary action. The comments / suggestions have been uploaded through SAUDAMINI portal under 'e-Regulation'. The soft copy of the same has also been emailed to secy@cercind.gov.in & shilpa@cercind.gov.in.

Thanking You,
Encl: As above

Yours Sincerely,

(M G Gokhale)
General Manager (Comml.)
Tele No.0129-2250040

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CIN : L40101HR1975GOI032564; Website : www.nhpcindia.com

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बिजली से संबंधित शिकायतों के लिए 1912 डायल करें। Dial 1912 for Complaints on Electricity

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

Regulation No.	Content	Comments of NHPC
Regulation 2(1)	Definitions	<p>'Implementation Agreement' is not defined in the proposed draft Regulations whereas the same is defined in CERC Tariff Regulations, 2019. In order to have consistency with CERC Tariff Regulations, 2019, the definition of 'Implementation Agreement' needs to be provided in proposed Regulations as under:-</p> <p>'Implementation Agreement' means any agreement or covenant entered into (i) between the transmission licensee and the generating company or (ii) between transmission licensee and developer of the interconnected transmission system for the execution of generation and transmission projects in a coordinated manner, laying down the project implementation schedule and mechanism for monitoring the progress of the projects;</p> <p><u>Explanation:</u> <u>The introduction of above definition is essentially required to address the issue of mismatch in declaration of COD of generating station & associated transmission system.</u></p>
Regulation 11(4)	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, <u>the generating station shall pay Yearly Transmission Charges</u> for the Associated Transmission System	<p>As per proposed Regulation, if COD of the generating station is delayed and the associated transmission system has achieved COD, the generating station is supposed to make payment of Yearly Transmission Charges (YTC) (corresponding to the capacity of generating station not declared under COD) as compensation. In this regard, NHPC requests the Hon'ble Commission that the following aspects need to be suitably incorporated in the proposed Regulations:</p> <p>Prior availability of transmission system <u>minimum for a period of 30-45 days</u> prior to COD of the first generating unit of a hydro generating station is essentially required for testing & commissioning of hydro generating</p>

	<p><u>corresponding to capacity of generating station or unit(s) thereof which have not achieved COD.</u></p> <p>Provided that such transmission charges shall not be considered under Regulations 5 to 8 of these Regulations.</p>	<p>units / station. There are specific requirements under Regulation 6.3A of IEGC for trial operation of a generating unit. Therefore, transmission system (grid voltage) availability shall always be preceding to COD of generating units. The generating company and transmission licensee shall endeavour to commission the generating units / station and the transmission system in a co-ordinated manner by catering the above aspect, and the same needs to be ensured through appropriate Implementation Agreement. During the testing & commissioning period and till declaration of COD of first unit of Power Station, hydro generating stations should be excluded from the purview of payment of any penalty by way of 'Yearly Transmission Charges'.</p> <p>Even after providing the above suggested mechanism for addressing the issue of mismatch in COD of generating station with associated transmission system through implementation agreement, if the COD of first unit of generating station gets delayed as compared to the schedule mentioned in the implementation Agreement, then provision may be kept for payment of transmission charges by the generating station <u>pro-rata to the period of delay</u> instead of 'Yearly Transmission Charges' so as to bring consistency with the Tariff Regulations, 2019. Further, in that situation the transmission charges to be paid is to be set off against the revenue generated from the infirm power and the balance amount (if any) should only be deducted from the capital cost for the purpose of tariff.</p> <p>It is also pertinent to mention here that due to inherent characteristics of hydro power projects having long gestation periods, depending on various factors like remoteness of location, uncertainties & risk associated with hydro power project development causes frequent & uncontrollable time and cost overruns. In view of the above difficulties being faced during construction of Hydro plants, the provision for waiver of payment of Yearly Transmission Charges by the Hydro generating Stations for the delayed period may be suitably incorporated, <u>if the COD of Hydro generating station is delayed for reasons which are beyond the control of generating stations.</u></p>
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<p>Regulation 11(7)</p>	<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 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>As per proposed Regulation, if COD of the transmission system is delayed and the generating station has achieved COD, the transmission licensee is supposed to make alternate arrangement for despatch of power and till such alternative arrangement is made, the transmission licensee is liable to make payment of <u>transmission charges</u> to the generating station as a penalty. In this regard, the following points are submitted:</p> <ol style="list-style-type: none"> 1. The declaration of COD of generating station & associated transmission system needs to be managed through appropriate implementation agreement. 2. As Hydro power projects are generally located in remote areas and dedicated lines are being planned in most of the cases for evacuation of power, the provision for providing alternate arrangement for dispatch of power in case of non declaration of COD of associated transmission system is not practically feasible. 3. Further, the proposed Regulation limits the compensation recoverable by generating company by just <u>transmission charges only</u> in case of delay in declaration of COD of associated transmission system. It is to be noted that Hydro generating stations incurs a loss of AFC (Capacity charges + Energy Charges) for the duration of delay in COD of transmission system and the same is not commensurate with the compensation in terms of transmission charges. It is therefore suggested that <u>the generating company should also be able to recover its full AFC for the duration of this delay</u>. <p>The above aspects need to be suitably covered in the proposed Regulations so as to have an <u>equitable approach</u> for both the utilities viz. generating stations & transmission licensees.</p>
<p>Regulation 11(11)</p>	<p>Where a transmission system has been declared to have achieved deemed COD in</p>	<p>The comments provided against Regulation 11(4) and 11(7) are equally valid in case of Regulation 11(11) also.</p>

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terms of
Transmission
Service Agreement
under Tariff Based
Competitive Bidding
(TBCB) or the
Commission has
approved the date of
commercial
operation of such
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.

