



From: Sprng Energy Private Limited  
Office 001, Level G,  
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Hadapsar,  
Pune – 411013,  
Maharashtra, India  
Date: November 15, 2019

To,  
Hon'ble Secretary,  
Central Electricity Regulatory Commission,  
3rd and 4th Floor, Chanderlok Building,  
36, Janpath,  
New Delhi-110 001,  
India.

Subject: Comments in respect of Central Electricity Regulatory Commission (CERCs) draft (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019.

Respected Sir,

Sprng Energy Private Limited (SEPL) is a renewable energy platform set up in India by Actis - a private equity fund manager that invests exclusively in the world's growth markets, with a total commitment of US\$450mn of equity from Actis Energy Fund 4 to set up c.2GW (1.1% of 175 GW of target set up by Ministry of New and Renewable Energy, Government of India) of renewable energy capacity (solar and wind) by 2020. Till date, we have 750 MW (AC) solar projects and 797.5 MW of wind power projects under execution & 194 MW (AC) solar projects under operation cumulating to a total of 1741.5 MW projects in the country.

We would like to bring your kind attention on Ministry of power's ("MoP") order dated 30.9.2016 wherein the Ministry of Power has notified waiver of ISTS charges and losses on transmission of electricity generated from solar and wind resources of energy under para 6.4(6) of the Tariff Policy, 2016. Further, MoP has extended applicability of this scheme for projects commissioned till 31<sup>st</sup> March, 2022 vide its order no. 23/12/2016-R&R dated 13<sup>th</sup> February, 2018.

### SPRNG ENERGY PRIVATE LIMITED

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Based on the aforesaid notification, Hon'ble CERC had issued 6<sup>th</sup> amendment to the CERC (Sharing of Inter-state Transmission System Charges and Losses) Regulations to extend the waiver of ISTS charges and losses of wind and solar generators in accordance with the Ministry of Power notification dated 13.2.2018. A new sub-clause (aa) to Clause (1) of Regulation 7 of Principal Regulations was added as under:

“(aa) No transmission charges and losses for the use of ISTS network shall be payable for the generation based on solar and wind power resources for a period of 25 years from the date of commercial operation of such generation projects if they fulfill the following conditions:

- (i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government;
- (ii) Such generation capacity has been declared under commercial operation between 13.2.2018 till 31.3.2022;
- (iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations.”

The intent behind afore-stated clause appears to be that the solar and wind assets should not be burdened with transmission charges and this provision has been introduced to help renewable energy sector. The provisions under the said notification have been considered in the Draft Regulations as well under clause 11 (1)(c) as specific cases for waiver of Transmission Charges.

The clause 11(4) of the draft regulations related to delay in achieving COD of solar and wind generating stations when the associated transmission system has achieved COD, which is not earlier than its SCOD, has following provisions:

**“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.”**

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Similarly, the draft regulations, under the clause 11(5), in case where Long-Term Access to ISTS is granted to solar and wind generating stations on existing margins and COD of the generating station or unit(s) thereof is delayed, provides as under:

**“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.”**

There are instances wherein the delay in achieving the COD by the solar and wind generators is on account of reasons not attributable to them. Few examples of such reasons are given herein below but not limited to:

1. Delay in adoption of tariff by the respective State Electricity Regulatory Commission (SERC)
2. Delay in providing land by the Solar Park agencies
3. Changes in the State Land Policies
4. Changes in the Environment related policies/Acts leading to delay in getting Environmental/Wildlife clearances/approvals
5. Cases filed by NGOs/Social activists before various Legal Forums leading to delay in getting clearances / approvals.
6. Force Majeure events covered under PPA
7. Delay in providing NOCs by Ministry of Defense for Wind Generating Stations.

Wind and Solar generating stations are being asked by Central Transmission Utility (CTU) / PGCIL to issue Letter of Credit (LC) and pay transmission charges even if commissioning has been delayed due to one or multiple of the aforesaid reasons which are not attributable to the generators.

It would be appropriate for Hon'ble Commission to incorporate provisions in the regulations that the revised SCOD, allowed by agencies such as Ministry of Power, Ministry of New and Renewable Energy, bidding agencies such as NTPC/SECI/state Discoms, on account of one or multiple reasons stated above be treated as the revised date of LTA operationalization and accordingly such related projects be exempted from paying any transmission charges and encashment of LCs due to delay in achieving COD by the solar and wind generating stations.

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The wind and solar generators require to approach CERC with a petition in each respective case praying to provide relief on this account as there exist no such provisions in the regulatory framework as on date.

In view of the above, we request Hon'ble CERC to make appropriate provision in the draft regulatory framework for not imposing any transmission charges and/or exemption from encashment of LCs on the solar and wind generators corresponding to its Long term Access from the date the Long Term Access granted by CTU till commissioning date in cases where the reasons for delay are not attributable to the generators.

Also, the bidding guidelines/documents permit phase wise (part) commissioning of the solar and wind power projects. The existing LTA regulatory framework considers only one date for grant of LTA. This leads to imposition of part penalty on the wind and solar generators even if they are not at fault. We request Hon'ble Commission to direct CTU to allow LTA on phase wise commissioning basis and amend the LTA procedure accordingly.

Submitted for your kind consideration please.

Thanking you,

For and on behalf of **Spring Energy Private Limited**

  
(Gaurav Sood)

Chief Executive Officer

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