



Sonica Hayaran &lt;sonicahayaran@gmail.com&gt;

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**Fw: Fwd: Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 - Comments from Sterlite Power**

2 messages

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**shilpa agarwal** <shilpadce@yahoo.com>

Fri, Jan 31, 2020 at 3:15 PM

To: Abhishek Rohilla &lt;cerc.abhishek@gmail.com&gt;, Sonica Hayaran &lt;sonicahayaran@gmail.com&gt;

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Friday, January 31, 2020, 8:44 AM, Sanoj Kumar Jha <secyskj@gmail.com> wrote:

Sent from my iPad

Begin forwarded message:

**From:** Girish Deveshwar <girish.deveshwar@sterlite.com>

**Date:** 29 January 2020 at 17:38:28 IST

**To:** "secy@cercind.gov.in" <secy@cercind.gov.in>

**Cc:** Namrata Mukherjee <namrata.mukherjee@sterlite.com>, "shilpa@cercind.gov.in" <shilpa@cercind.gov.in>, Farrukh Aamir <farrukh.aamir@sterlite.com>

**Subject:** RE: Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 - Comments from Sterlite Power

Dear Sir,

We write with reference to the Public Hearing held today regarding the above captioned subject.

As was discussed during the proceedings, we have submitted our additional comments on the SAUDAMINI portal. Along with that, we are mailing 3 hard copies to you.

Our comments are also enclosed with this email for your consideration.

With regards,

**Girish Deveshwar**

Policy Advocacy

**Sterlite Power Transmission Ltd.**

F-1 Mira Corporate Suites, Ishwar Nagar,

New Delhi – 110 065, India

Mobile: (+91) 9910 105 764

Email: [girish.deveshwar@sterlite.com](mailto:girish.deveshwar@sterlite.com)

[www.sterlitepower.com](http://www.sterlitepower.com)

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**From:** Farrukh Aamir <[Farrukh.Aamir@sterlite.com](mailto:Farrukh.Aamir@sterlite.com)>

**Sent:** 31 December 2019 16:01

**To:** [secy@cercind.gov.in](mailto:secy@cercind.gov.in)

**Cc:** Namrata Mukherjee <[namrata.mukherjee@sterlite.com](mailto:namrata.mukherjee@sterlite.com)>; Girish Deveshwar <[girish.deveshwar@sterlite.com](mailto:girish.deveshwar@sterlite.com)>; [shilpa@cercind.gov.in](mailto:shilpa@cercind.gov.in)

**Subject:** Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 - Comments from Sterlite Power

Dear Sir,

This is in reference to the Public Notice seeking comments/ suggestion on the subject regulations.

As instructed in the public notice, the comments have been uploaded on the SAUDAMINI portal and 3 hard copies mailed.

Our comments on the same are enclosed for your kind consideration.

Warm regards,

Farrukh Aamir

AVP – Policy Advocacy

Sterlite Power

+91-98102-19805

[www.sterlitepower.com](http://www.sterlitepower.com)

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**3 attachments**



**image005.png**  
9K



**image007.jpg**  
7K



**Sterlite Power\_Additional Comments\_29 01 2020.pdf**  
153K

**Shilpa** <shilpa@cercind.gov.in>

Mon, Feb 10, 2020 at 9:31 PM

To: Abhishek Rohilla <cerc.abhishek@gmail.com>, Sonica Hayaran <sonicahayaran@gmail.com>

[Quoted text hidden]

Farrukh Aamir

AVP – Policy Advocacy

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**3 attachments**



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**image007.jpg**  
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**Sterlite Power\_Additional Comments\_29 01 2020.pdf**  
153K



**Additional Submissions on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 (“Draft Regulations”)**

Reference	Submission
<p>Regulation 11 (7) (where generating station has achieved COD but TL is delayed)</p>	<p>Regulation 11(7) provides that in the event generating station has achieved COD but the transmission system is delayed, then the transmission licensee (TL) is required to make alternative arrangements for dispatch for power in consultation with CTU. Till the time such alternative arrangement is made, the TL is required to pay to the generating station the transmission charges proportionate to the LTA for the transmission system which is delayed.</p> <p>Following are the observations/ reservations that needs to be highlighted:</p> <ol style="list-style-type: none"> <li>1. <b>Transmission Services Agreement (TSA):</b> <ol style="list-style-type: none"> <li>a. <b>Remedy available in TSA:</b> The obligations of the TL are clearly defined in the TSA and in the event of delay in achieving the SCOD, there is a provision of imposition of:               <ol style="list-style-type: none"> <li>(i) Liquidated Damages on the TL: TSA itself stipulates for a sum as compensation or penalty in case TSA is breached by the TL for failure to achieve SCOD.</li> <li>(ii) Event of Default: In the event commissioning of the project is delayed beyond a period of 6 (six) months from the SCOD, then the TSA itself may be terminated. The Regulation required the TL to take actions which are over and above the requirements of the TSA. Hence, imposing further conditions to pay such charges is unreasonable.</li> </ol> </li> <li>b. <b>Alteration of Bid conditions:</b> Introduction of these Regulations will not only amount to alteration of the bid conditions as the TSA is flowing from the bid, but also impact the TSA, which is a bilateral agreement between the TL and the LTTCS.</li> </ol> </li> <li>2. <b>Financing Difficulties:</b> <ol style="list-style-type: none"> <li>a. In the event the proposed Regulation is implemented that would tantamount to double penalty for a single breach/ default of TL.</li> <li>b. This may also result in unlimited liability exposure which will consequently result in difficulties in getting the projects financed. The liability would not end with the termination of the TSA post 6 (six) months of delay in achieving COD, as this liability is flowing from the Regulations and will remain with the TL post crystallization of the liability on the TL.</li> <li>c. Such difficulties in getting the Projects financed will result in increased tariffs and would adversely impact the interests of the consumers and would defeat the very purpose, intent and spirit of Electricity Act, 2003.</li> </ol> </li> <li>3. <b>Delay on account of Force Majeure:</b> <ol style="list-style-type: none"> <li>a. Regulation 11(7) does not even provide for a carve out for delay caused due to force majeure events which are allowed by CERC.</li> <li>b. There may be circumstances where commissioning of the project is delayed due to force majeure events and penalizing the TL for absolutely no fault of the TL is not only unreasonable but also bad in law.</li> </ol> </li> <li>4. <b>Practical Difficulties:</b> <ol style="list-style-type: none"> <li>a. The said regulation requires the TL to make alternative arrangements for dispatch of power. Please note that it will practically difficult for the TL to make such alternative arrangements on its own.</li> <li>b. These sudden changes were never envisaged at the time of bidding.</li> </ol> </li> </ol>
<p>Regulation 11(11) read with</p>	<p>Regulation 11(11) provides that a transmission system has achieved deemed COD in terms of TSA and approved by CERC, but the transmission licensee/ generating</p>

Reference	Submission
<p>Regulation 13(4) (where TL has achieved COD but generator is delayed)</p>	<p>company whose transmission system or generating station or unit thereof is delayed, is required to pay to the TL transmission charges of the transmission system till the generating station or unit thereof or the transmission system achieves COD.</p> <p>Further, Regulation 13(4) provides that the CTU shall be responsible for raising the bilateral bills for transmission systems covered under Regulation 11.</p> <p>Following are the observations/ reservations that needs to be highlighted:</p> <ol style="list-style-type: none"> <li>1. <b>TSA:</b> <ol style="list-style-type: none"> <li>a. It may please be appreciated that all the obligations of the TL are provided under the TSA and once these obligations are completed by the TL as per the TSA, then the TL is entitled to full tariff as agreed in the TSA from the common pool. It must be noted that events under which tariff can be delayed or denied are also agreed in the TSA.</li> <li>b. Regulation 13(4) provides that that the CTU shall be responsible for raising bilateral bills for transmission systems covered under Regulation 11, i.e. recovery of bills will be under the purview of the TL only and the TL may face tremendous difficulties and enhanced risk exposure.</li> <li>c. Further, please note that introduction of any additional events or conditions, will increase in the risk exposure of the TL thereby increasing the cost associated with the project.</li> <li>d. Introduction of these Regulations will not only amount to alteration of the bid conditions as the TSA is flowing from the bid, but also impact the TSA, which is a bilateral agreement between the TL and the LTTCs.</li> </ol> </li> <li>2. <b>Financial Difficulties &amp; Increased Risk Exposure:</b> <ol style="list-style-type: none"> <li>a. Any increase in risk exposure will result in difficulties in getting the projects financed.</li> <li>b. Any difficulties in getting the Projects financed will result in increased tariffs and would adversely impact the interests of the consumers and would defeat the very purpose, intent and spirit of Electricity Act, 2003.</li> </ol> </li> </ol>