

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**NEW DELHI**

**Explanatory Memorandum for the “Draft Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Third Amendment) Regulations, 2022”**

**Amendment to Clause (4) under Appendix-II “Procedure for Calculation of Transmission System Availability Factor for a Month” of the Principal Regulations:**

1. Ministry of Power vide letter dated 31.08.2021 and letters dated 16-06-2022 & 03-08-2022 respectively has requested CERC to suitably modify / make necessary amendments in the CERC (Terms and Conditions of Tariff) Regulations, 2019 in order to enable issue of deemed availability certificate by Member Secretary, RPC for shifting of ISTS Transmission Lines for all nationally important infrastructure projects of NHAI, Railways & BRO, provided that transmission customers are not affected by the shutdown of the line.
2. Ministry of Power (MoP) vide its letter dated 31.08.2021 conveyed as follows;  
*Subject: Deemed availability certificate for the shutdown period availed by transmission licensees for shifting of their transmission lines for National Highway Authority of India (NHAI) projects- reg.*

Sir,

I am directed to say that Secretary, Ministry of Road Transport in his DO letter dated 02 Aug, 2021 (copy attached) raised the issue of shutdown charges among others for shifting of transmission lines for NHAI projects. A meeting was held under the Chairmanship of Secretary (Power) with representatives of CEA, PGCIL, CTUIL, NHAI, POSOCO and private transmission licensees on 11.08.2021 to discuss these issues. A copy of the Minutes of Meeting (MOM) is enclosed herewith for ready reference.

2. Secretary, MoRTH in his letter mentioned that shutdown charges are levied on MoRTH agencies for shifting of transmission lines. Till last year, the charges were about @ 2% of estimated costs, and now it has increased to about Rs 5 cr to 7 cr in some estimates. MoRTH requested MOP to give deemed availability certificate for waiving of these charges.

3. Present CERC (Terms and Conditions of Tariff) Regulations 2019 provides that shut down availed for maintenance of another transmission scheme or construction of new element or renovation/upgradation/additional capitalization in existing system approved by the Commission are covered under deemed availability of transmission lines to be provided by Member Secretary, Regional Power Committees (RPCs). Accordingly, RPCs do not provide deemed availability in cases of outages of transmission lines for construction of projects of NHAI/ Railways etc.

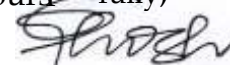
5. In the meeting taken by Secretary (Power), it was noted that generally customers of transmission lines are not affected by shutdown of a particular transmission line, because of redundancy in the power system and NHAI projects are of national importance. Therefore, it was agreed that in case of NHAI projects, RPC Secretariat would provide deemed availability certificate for the shutdown period availed by transmission licensees for shifting of their transmission lines, provided that transmission customers are not affected by the shutdown of the line. Shutdown charges would be computed by CEA as per practice and would be included in the cost estimates to be provided to NHAI for shifting of lines. CEA was also requested to standardize the shutdown period, so that deemed availability period is not utilized for other than intended purposes.

6. In view of the above, it is requested that CERC (Terms and Conditions of Tariff) Regulations, 2019 may be modified suitably, so that RPC Secretariat can issue deemed availability certificate for the shutdown period availed by transmission licensees for shifting of their transmission lines in NHAI projects, provided that transmission customers are not affected by the shutdown of the line.

7. This issues with the approval of Competent Authority.

Encl: As stated.

Yours faithfully,



(Goutam Ghosh)

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3. Earlier, MoP vide its Letter dated 3.08.2022 conveyed as follows;


#### OFFICE MEMORANDUM

**Subject: Policy on shifting of transmission lines by transmission licensee for other infrastructure projects – regarding**

The undersigned is directed to say that a number of references have been received from other infrastructure departments like National Highways Authority of India Ltd (NHAI) for waiver of transmission charges for the shutdown period availed by transmission licensee for shifting of their transmission lines.

2. The matter has been considered in the Ministry. It has been noted that generally customers of transmission lines are not affected by shutdown of a particular transmission line during the period of shifting of utilities, because of redundancy in the power system. Accordingly, it has been decided that:

- (i) *RPC Secretariat shall provide deemed availability certificate for the shutdown period availed by transmission licensees (both RTM and TBCB) for shifting of their Inter State Transmission System (ISTS) lines for all national importance infrastructure projects of NHAI, Railways, BRO etc., provided that transmission customers are not affected by the shutdown of the line.*
- (ii) *All such applications for deemed availability shall be considered irrespective of date of application. However, deemed availability for past shifting of lines, where the diversion work has already been completed, shall not be considered.*
- (iii) *A consolidated Standard Operating Procedure for shifting of Transmission line by transmission licensees for other infrastructure projects shall be prepared by CEA and submitted to the Ministry. The same will be put up for approval of the Competent Authority in the Ministry.*
- (iv) *The CERC shall make necessary changes quickly in the CERC (Terms and Conditions of Tariff) Regulations to enable declaration of deemed availability certificate by Regional Power Committees for shifting of transmission lines for other infrastructure projects, provided that transmission customers are not affected by the shutdown of the line.*
3. *This issues with approval of the Hon'ble Minister of Power and New & Renewable Energy.*



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4. In view of the above, a new sub-clause (iii) is proposed to be inserted after sub-clause (ii) of Clause (4) under Appendix-II of the Principal Regulations to declare deemed availability for the shut down availed for shifting of Transmission Line for Project(s) of NHAI, Railways and Border Road Organisation, provided that DICs are not affected by the shutdown of the such transmission Line .
5. Further, the Member Secretary, RPC may restrict the deemed availability period for shutdown of the line considering the reasonableness of the time required for shifting of such transmission lines.

6. The shutdown period availed by transmission licensees for shifting of their transmission lines for crossing of infrastructure Project(s) of NHAI, Railways and Border Road Organisation shall be planned in a manner that shut down period shall be minimised.
7. Accordingly, the following sub clause is proposed to added after sub-clause (ii) of Clause (4) of Appendix-II:

*“iii) Shut down availed for shifting of Transmission Line for Project(s) of NHAI, Railways and Border Road Organisation. Member Secretary, RPC may restrict the deemed availability period to that considered reasonable by him for the work involved;*

*Provided that such deemed availability shall be considered only for the period that DICs are not affected by the shutdown of the such transmission Line.”*

**Amendment to Clause (5) under Appendix-II “Procedure for Calculation of Transmission System Availability Factor for a Month” of the Principal Regulations**

8. Provisions regarding excluding of the outage period of transmission elements from the total time of the element for the contingencies mentioned at sub-clause (i) and (ii) of Clause (5) under Appendix-II of the Principal Regulations have dual effect on Transmission charges;
  - (i) there is no benefit of the Transmission Element under shutdown to the beneficiaries as no power flows through it;
  - (ii) the liability for the same is on the beneficiaries.
9. Accordingly, it is proposed that the matter of excluding of the outage period of transmission elements shall be decided at RPC for outage beyond one month and upto three months.
10. Further, for excluding outage period of more than three months, consultation with beneficiaries is felt necessary. . Accordingly, it is proposed that for a period beyond three months, transmission licensee shall approach the Commission for approval of such exclusion of outage period. Since, the issue of outage is proposed

to be decided at RPC and Commission for specified periods, it is proposed to delete the Provisos to sub-clause (ii) to Clause (5) of Appendix-II.

11. Accordingly, following Amendments to Clause (5) under Appendix-II “Procedure for Calculation of Transmission System Availability Factor for a Month” of the Principal Regulations are proposed:

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- (a) *Provisos to sub-clause (ii) to Clause (5) under Appendix-II of the Principal Regulations shall be deleted.*
- (b) *New sub-clause (iii) shall be added after sub-clause (ii) of Clause (5) under Appendix-II of the Principal Regulations as under:*
- (iii) *The outage period which can be excluded for the purpose of sub-clauses (i) and (ii) of this clause shall be declared as under:*
  - a) *Maximum upto one month by Member Secretary, RPC*
  - b) *Beyond one month and upto three months after decision at RPC*
  - c) *Beyond three months by the Commission for which the transmission licensee shall approach the Commission along with reasons, steps taken to mitigate the outage and restoration timeline.”*

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