

Suggestions /Comments from AEML on draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022

Reg. No	Draft Regulation	AEML Suggestion/comments	Rationale
10(1)	“‘Ir’ denotes sum of injection into the ISTS at regional nodes”.	‘Ir’ denotes sum of injection into the ISTS at regional nodes less injection from projects covered under Clause (1) of Regulation 13 of these regulations for the week.	(1) To promote the Renewable energy development and adoption, Gol has provided various concessions from time to time in terms of exemption from payment of Transmission charges & losses for specific projects under its policy directives. Same need to be retained.
10(2)	Proviso to be deleted	Proviso to be retained as it is - Provided that while preparing drawal schedule of DICs in respect of projects covered under Clause (1) of Regulation 13, transmission losses shall be considered as zero.	(2) The Buyers who entered in to PPA during this period are paying highest charges up to Rs 18/unit for the RE energy procured under these PPAs. These PPAs were executed considering the economics & benefits provided through exemption from payment of Charges & losses for ISTS. (3) Therefore, current Regulations should maintain the sanctity of the various Policy directives given by Gol, otherwise it will lead to policy & Regulatory uncertainty in the power sector impacting the sentiment of Investors effectively depriving the investment in the sector. (4) The Buyers/DISCOMs, during these periods, had taken risk and also paid higher cost for the energy which has given impetus to the development of RE in India. Proposed changes will

			<p>further impact those buyers which have taken purchase decisions to promote RE.</p> <p>(5) Eliminating these provisions may result in violation of principles of promissory estoppel</p> <p>(6) Without prejudice to this even if it is argued that this cost will be effectively paid by the Consumers, still this will impact the competitiveness of the DISCOMs/ states as they are competing with other Licensees in the area or Open Access Suppliers. This will also result in punishment to the players who have helped in development of the sector</p>
11(1)	<p>“(1) T-GNA Rate (in Rs./MW/block) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under: Transmission charges for GNA for entities located in the State, for the billing month, under first bill (in rupees) X 1.10 / (number of days in a month X 96 X GNA quantum, in MW, for all such entities located in the State considered for billing, for the corresponding billing period.)”</p>	<p>“(1) T-GNA Rate (in Rs./MW/block) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under: Transmission charges for GNA for entities located in the State, for the billing month, under first bill (in rupees) X 1.10 / (number of days in a month X 96 X GNA quantum, in MW, for all such entities located in the State considered for billing, for the corresponding billing period.)”</p>	<p>(1) The objective of the GNA Regulations is to delink the Open Access from the contract and give the Buyers/DISCOM the flexibility of buying from different sources at different times. Therefore, maintaining the same philosophy of providing flexibility, the charges payable for GNA & TGNA should be same. The same philosophy has been followed by CERC in its earlier Regulations.</p> <p>(2) DISCOMs are demand aggregators and do not have specific control over demand pattern/ seasonality etc. Therefore, DISCOM is required to arrange power as per consumer requirement from month to month / Season to season. Hence it needs flexibility of booking the corridor as</p>

			<p>per requirement, therefore there should be parity between the GNA and TGNA charges.</p> <p>(3) Also, to promote development of Power markets the parity between the charges payable by GNA and TGNA users should be maintained.</p> <p>(4) The Users having long term requirement and Round the year PPA's will book the GNA and not depend upon T-GNA. Hence, it is expected that only genuine users will be booking T-GNA and therefore they should not be burdened with additional charges</p> <p>(5) Use of GNA by other Users is allowed, also charges collected under T-GNA will be reimbursed to GNA Users. Therefore any arbitrage between these charges may push Users to book higher GNA which may create artificial shortfall in capacity, hence the charges should be same.</p>
12(2)	<p>"(2) Transmission Deviation Rate in Rs./MW, for a State or any other DIC located in the State, for a time block during a billing month shall be computed as under: $1.35 \times (\text{transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.}) / (\text{GNA quantum in})$</p>	<p>"(2) Transmission Deviation Rate in Rs./MW, for a State or any other DIC located in the State, for a time block during a billing month shall be computed as under: $1.1035 \times (\text{transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.}) / (\text{GNA quantum in MW of such entities located in the State, considered for billing, for the corresponding})$</p>	<p>(1) DISCOMs/States are expected to buy the power & book Transmission corridor as per forecasted demand, hence generally Transmission deviation is not expected under day today operations.</p> <p>(2) Under exceptional situations, due to shortfall/reduction in planned supply, overdrawl is expected which may result in Transmission deviation. Therefore, the charges for transmission deviation should be reasonable and, to start with, it may be</p>

	<p>MW of such entities located in the State, considered for billing, for the corresponding billing period X number of days in a month X 96)"</p>	<p>billing period X number of days in a month X 96)"</p>	<p>kept at 110% instead of 135% and it may be increased based on operational experience, if required. Present charges are at 105%, hence increase to 110% would be reasonable & justified.</p> <p>(3) Further, CERC DSM Regulations have already put in place stringent deviation charges which ensures that over drawl is minimal, hence the deviation charges should be reasonable and may be considered at 110%.</p>
13(1)	<p>(1) No transmission charges and losses for the use of ISTS shall be payable for:</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p> <p>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to</p>	<p>(1) No transmission charges and losses for the use of ISTS shall be payable for:</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p> <p>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from</p>	<p>The deleted provisions need to be retained as –</p> <p>(1) To promote the Renewable energy development and adoption, Gol has provided various concessions from time to time in terms of exemption from payment of Transmission charges and losses for specific projects under its policy directives, same need to be retained.</p> <p>(2) The Buyers during this period have paid highest charges, even upto Rs 18/unit for the RE energy procured under these PPAs. These PPA's were executed considering the economics which incorporated the benefits provided through exemption from</p>

	<p>12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p> <p>(e) generation based on solar or wind power resources , for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(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.</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p> <p>(b) generation based on solar or wind power resources for a</p>	<p>1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p> <p>(c) generation based on solar or wind power resources , for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of</p>	<p>payment of Charges and losses for ISTS.</p> <p>(3) Therefore, current Regulations should maintain the sanctity of the various Policy directives given by Gol, otherwise it will lead to policy and regulatory uncertainty in the power sector impacting the sentiments of Investors effectively depriving the investment in the sector.</p> <p>(4) The Buyers/DISCOMs, during this period, have taken risk and have paid higher cost for the energy which has given impetus to the development RE in India, proposed changes will further impact those buyers which have taken purchase decisions to promote RE.</p> <p>(5) DISCOMs undertake the purchase of RE power through competitive bidding as per the guidelines issued by MoP from time to time. As the bidding is at national level, generators connected to the state grid of the buyer, Inter-State / Intra-State Transmission System or located in any other state can participate in the bidding. As per the policy directives /Orders issued by Central Govt from time to time, RE generators are exempted from payment of ISTS charges & losses. Accordingly,</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p> <p>(c) generation based on solar or wind power resources , for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p>	<p>their renewable purchase obligations.</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p> <p>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p> <p>(c) generation based on solar or wind power resources , for a period of 25 years from the date</p>	<p>while evaluating the net landed cost, the buyer Distribution Companies contracted with Generators who have availed such exemption. However, as per the draft Regulations, the exemptions which are proposed to be withdrawn would tantamount to DISCOMS uncompetitive purchase by denying low cost generators connected to IntraState network.</p> <p>(6) In addition to above the economics of buyers and their competitiveness vis-à-vis other suppliers (OA suppliers or parallel distribution licensees in the area) will also suffer</p> <p>(7) Eliminating these provisions may result in violation of principles of promissory estoppel</p> <p>Without prejudice to this even, if it is argued that this cost will be effectively paid by the Consumers, still this will impact the competitiveness of the DISCOMs/ states. This amount to punishing the players who helped in development of the sector</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(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.</p>	<p>of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(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.</p>	
Additional Proviso to Regulation 13(1)		<p>Following proviso to be added:</p> <p>Provided further that all notifications / concessions / policies issued by GoI /MoP in relation to applicability of Transmission charges & losses to RE projects prior to notification of this amendment to the principal Regulation shall be deemed to be available under this Regulations</p>	To ensure Policy & Regulatory certainty