## 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)	" <b>'Ir'</b> denotes sum of injection into the ISTS at regional nodes".	the ISTS at regional nodes less injection from projects covered under Clause (1) of Regulation 13 of these regulations for the week.	& losses for specific projects under its
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.	charges up to Rs 18/unit for the RE

11(1)	"(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.)"	"(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.)"	<ul> <li>further impact those buyers which have taken purchase decisions to promote RE.</li> <li>(5) Eliminating these provisions may result in violation of principles of promissory estoppel</li> <li>(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</li> <li>(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 &amp; TGNA should be same. The same philosophy has been followed by CERC in its earlier Regulations.</li> <li>(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</li> </ul>
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12(2)	"(2) Transmission Deviation Pate	"(2) Transmission Deviation Pate	<ul> <li>per requirement, therefore there should be parity between the GNA and TGNA charges.</li> <li>(3) Also, to promote development of Power markets the parity between the charges payable by GNA and TGNA users should be maintained.</li> <li>(4) The Users having long term requirement and Round the year PPAs 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</li> <li>(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.</li> </ul>
12(2)	"(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 X (transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.)/ (GNA quantum in	"(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 X (transmission charges for GNA of entities located in the State, under first bill for the billing month in Rs.)/ (GNA quantum in MW of such entities located in the State, considered for billing, for the corresponding	<ol> <li>(1) DISCOMs/States are expected to buy the power &amp; book Transmission corridor as per forecasted demand, hence generally Transmission deviation is not expected under day today operations.</li> <li>(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</li> </ol>

	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)"	billing period X number of days in a month X 96)"	<ul> <li>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 &amp; justified.</li> <li>(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%.</li> </ul>
13(1)	<ul> <li>(1) No transmission charges and losses for the use of ISTS shall be payable for:</li> <li>(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.</li> <li>(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:</li> <li>(i) Such generation capacity has been awarded through competitive bidding; and</li> <li>(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</li> </ul>	<ul> <li>(1) No transmission charges and losses for the use of ISTS shall be payable for:</li> <li>(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.</li> <li>(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:</li> <li>(i) Such generation capacity has been awarded through competitive bidding; and</li> <li>(ii) Such generation capacity has been declared under commercial operation period from the date of competitive bidding; and</li> </ul>	<ul> <li>The deleted provisions need to be retained as –</li> <li>(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.</li> <li>(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</li> </ul>

<ul> <li>12.2.2018 for wind based resources; and</li> <li>17.2017 to 12.2.2018 for solar</li> <li>12.2.2018 for wind based</li> <li>12.2.2018 for wind based</li> <li>12.2.2018 for wind based</li> <li>11.2.2018 for wind based</li> <li>11.2.2018 for wind based</li> <li>12.2.2018 for wind based</li></ul>	Regulations sanctity of ctives given will lead to uncertainty
<ul> <li>(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.</li> <li>(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:</li> <li>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</li> <li>(ii) Such generation capacity has been declared under commercial operation, fulfilling the period from 13.2.2018 to 31.12.2022; and</li> <li>(iii) Power Purchase Agreement(s) have been executed for sale of such</li> </ul>	sanctity of ctives given will lead to uncertainty
<ul> <li>have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</li> <li>(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:</li> <li>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</li> <li>(ii) Power Purchase Agreement(s) have been executed for sale of such</li> <li>(iii) Power Purchase Agreement(s)</li> <li>(c) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the period from 13.2.2018 to 31.12.2022; and</li> <li>(iii) Power Purchase Agreement(s)</li> <li>(c) generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</li> <li>(c) generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</li> <li>(c) purchase Agreement(s)</li> <li>(c) purchase decisions</li> <li>(c) purchase decisions</li> <li>(c) purchase decisions</li> <li>(c) purchase decisions</li> <li>(c) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</li> <li>(c) Discoms undertake to of RE power through bidding as per the</li> </ul>	sanctity of ctives given will lead to uncertainty
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including Distribution Companies for (ii) Such generation capacity has As the bidding is at na	
compliance of their renewable been declared under commercial generators connected	
purchase obligations. operation during the period from grid of the buyer, li	
13.2.2018 to 31.12.2022; and Intra-State Transmiss	•
(a) generation based on solar (iii) Power Purchase or located in any other	
power resource for the useful Agreement(s) have been participate in the bid	
life of the projects executed for sale of such the policy directiv	
commissioned during the period generation capacity to all issued by Central Gov	es /Orders
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(b) generation based on solar or Companies for compliance of exempted from paym	es /Orders t from time rators are
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action of OF years from the data	their receivable everters	while evelveting the act lands
period of 25 years from the date	their renewable purchase	while evaluating the net landed
of commercial operation,	obligations.	cost, the buyer Distribution
fulfilling the following		Companies contracted with
conditions:	(a) generation based on solar	
(i) Such generation capacity has	power resource for the useful life	exemption. However, as per the
been awarded through	of the projects commissioned	•
competitive bidding; and	during the period from 1.7.2011 to	which are proposed to be
(ii) Such generation capacity has	30.6.2017.	withdrawn would tantamount to
been declared under commercial	(b) generation based on solar or	DISCOMS uncompetitive
operation during the period from	wind power resources for a	purchase by denying low cost
1.7.2017 to 12.2.2018 for solar	period of 25 years from the date	generators connected to
based resources or during the	of commercial operation,	IntraState network.
period from 30.9.2016 to	fulfilling the following	(6) In addition to above the
12.2.2018 for wind based	conditions:	economics of buyers and their
<del>resources; and</del>	(i) Such generation capacity has	competitiveness vis-à-vis other
(iii) Power Purchase	been awarded through	
Agreement(s) have been	competitive bidding; and	distribution licensees in the area)
executed for sale of power from	(ii) Such generation capacity has	will also suffer
such generation capacity to the	been declared under commercial	(7) Eliminating these provisions may
Distribution Companies for	operation during the period from	result in violation of principles of
compliance of their renewable	1.7.2017 to 12.2.2018 for solar	promissory estoppel
purchase obligation.	based resources or during the	
(c) generation based on solar or	period from 30.9.2016 to	Without prejudice to this even, if it is
wind power resources, for a	12.2.2018 for wind based	
period of 25 years from the date	resources; and	paid by the Consumers, still this will
of commercial operation,	(iii) Power Purchase	
fulfilling the following	Agreement(s) have been	
conditions:	executed for sale of power from	
(i) Such generation capacity has	such generation capacity to the	
been awarded through	Distribution Companies for	
competitive bidding process in	compliance of their renewable	
accordance with the guidelines	purchase obligation.	
issued by the Central	(c) generation based on solar or	
Government; and	wind power resources , for a	
	period of 25 years from the date	

	(ii) Such generation capacity has	of commercial operation,	
	been declared under commercial	1 .	
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	operation during the period from	conditions:	
	13.2.2018 to 31.12.2022; and	(i) Such generation capacity has	
	(iii) Power Purchase	been awarded through	
	Agreement(s) have been	competitive bidding process in	
	executed for sale of such	accordance with the guidelines	
	generation capacity to all	issued by the Central	
	entities including Distribution	Government; and	
	Companies for compliance of	(ii) Such generation capacity has	
	their renewable purchase	been declared under commercial	
	obligations.	operation during the period from	
		13.2.2018 to 31.12.2022; and	
		(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.	
Additional		Following proviso to be added:	To ensure Policy & Regulatory certainty
Proviso to			
Regulation		Provided further that all	
13(1)		notifications / concessions /	
		policies issued by Gol /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	