

## Adani Comments on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022

At the outset, we are thankful to the Hon'ble Commission for publishing this draft amendment to the CERC (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 (***“Sharing Regulations”***) for stakeholder consultation. It is noteworthy that the Hon'ble Commission has endeavoured to synchronize the Sharing Regulations, 2020 with the recently notified Connectivity and General Network Access Regulations, 2022 which is indeed the need of the hour. We have analysed the proposed amendments to the Sharing Regulations and have provided some comments and suggestions for the consideration of the Hon'ble Commission in order to assist the Hon'ble Commission in making the Sharing Regulations more comprehensive. The clause wise comments and suggestions are as follows:

Sl. No.	Clause as per Draft	Proposed Modification	Rationale
1.	10 (1) “Ir’ denotes sum of injection into the ISTS at regional nodes”.	10 (1) ‘Ir’ denotes sum of injection into the ISTS at regional nodes <b>less injection from projects covered under Clause (1) of Regulation 13 of these regulations whose bidding was completed prior to 15.01.2021</b> , for the week.	MOP directions dated 23.11.2021 provide for waiver of transmission losses for projects whose bidding was completed prior to 15.01.2021. Therefore, the said regulation should be in sync with MOP directions and Clause 10 (2) of supplementary draft notification of 18.08.2022 also which incorporates this waiver.
2.	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	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	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

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	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.)”	rupees) <del>X 1.10</del> / (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>same. The same philosophy has been followed by CERC in its earlier Regulations.</p> <p>(1) 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 per requirement, therefore there should be parity between the GNA and TGNA charges.</p> <p>(2) Also, to promote development of Power markets the parity between the charges payable by GNA and TGNA users should be maintained.</p> <p>(3) 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.</p>

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			(4) Use of GNA by other GNA grantees being allowed, the charges collected under T-GNA will be reimbursed to GNA Users. Therefore, any opportunity for arbitrage between GNA and T-GNA charges may push Users to book higher GNA which may create artificial shortfall in capacity, hence the charges for both GNA and T-GNA should be same.
3.	<p>12 (2) Transmission Deviation Rate 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:</p> <p><b>1.35</b> 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 billing period X number of days in a month X 96)</p>	<p>12 (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:</p> <p><b>1.1035</b> 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 billing period X number of days in a month X 96)”</p>	<p>It is requested that the Transmission Deviation Rate be increased in a step-wise manner to make the rate empathetic to the current situation being faced by renewable developers where in a few time blocks the generation may cross the GNA granted. While the levy of charges is justified, a step-wise applicability of Transmission Deviation Rate would provide a cushion to and not be onerous to the Developers who have deviated for only a few time-blocks for reasons beyond their control.</p>

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		<p><b>Deviation upto 5 Time-Blocks in a day- 1.10 Times of Transmission Charge</b></p> <p><b>Deviation for 5-10 Time-Block in a day- 1.20 Times of Transmission Charge</b></p> <p><b>Deviation beyond 10 Time-Blocks in a day- 1.35 Times of Transmission Charge</b></p>	
4.	<p>13 (3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:</p> <p>Provided that Yearly Transmission Charges in respect of Associated Transmission System corresponding</p>	<p>13 (3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:</p> <p>Provided that Yearly Transmission Charges in respect of Associated Transmission System corresponding</p>	<p>Since transmission Asset has achieved COD this may be included in determination of YTC of transmission pool independent of readiness of upstream or downstream system and the corresponding amount should be separately billed by Nodal Agency to the Connectivity grantee whose system is delayed. Amount so received in the transmission pool may be reimbursed to GNA grantee and Transmission Service Provider (TSP) as this would reduce the risk of TSP.</p> <p>Regulation 16.3 and 16.4 of GNA Regulations 2022 also intends deduction <b>(should be encashment)</b> of</p>

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	<p>to the Connectivity capacity which have achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations.”</p>	<p>to the Connectivity capacity which have achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations:</p> <p><b>Provided further that the amount so received in a billing month corresponding to Connectivity capacity, which have not achieved COD, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.</b></p> <p><b><u>Alternatively,</u></b></p> <p>“Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges to CTU for the Associated Transmission System</p>	<p>BG, in case of non-payment of transmission charges under Regulation 13 of the Sharing Regulations for more than 3 months from the due date and utilization of proceeds to reduce the MTC.</p> <p>For reference, Regulation 16.3 and 16.4 of GNA Regulations 2022 is quoted as below:</p> <p>“16.3. In case of non-payment of transmission charges under Regulation 13 of the Sharing Regulations for more than 3 months from the due date, such transmission charges shall be recovered by encashing Conn-BG1 (if subsisting), Conn-BG2 and Conn-BG3, as required. Connectivity shall be revoked from the date when Conn-BG2 and Conn-BG3, as available is not sufficient to cover transmission charges under Regulation 13 of the Sharing Regulations.</p> <p>16.4. The proceeds of encashed Conn-BG1, Conn-BG2 and Conn-BG3 in terms of Regulation 16.3, shall be</p>

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		<p><b>corresponding to Connectivity capacity which have not achieved COD:</b></p> <p>Provided that Yearly Transmission Charges in respect of Associated Transmission System corresponding to the Connectivity capacity which have achieved COD shall be included for determination of transmission charges of DICs in accordance with Regulations 5 to 8 of these regulations.</p> <p><b>Provided further that, in case of non-payment of Yearly Transmission Charges to CTU for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD, the amount shall be deducted from Connectivity BG of delayed grantee and the proceeds of BG shall be used for reducing Monthly Transmission Charges under these Regulations.”</b></p>	<p>adjusted in Monthly Transmission charges under the Sharing Regulations.”</p>

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5.	<p>13 (7) Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 3000/MW/month:</p> <p>Provided that the amount so received in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.</p>	<p>13 (7) Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, <b>except for reasons not attributable to the developer and Force Majeure events</b>, the Connectivity grantee shall, corresponding to the capacity that is delayed, pay transmission charges from the start date of such Connectivity at the rate of Rs. 3000/MW/month:</p> <p>Provided that the amount so received in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.</p>	<p>Developer should not be penalized for delay caused by Force Majeure or reasons not attributable to the Developer and time-extension is granted under the PPA. Suitable provision in the regulation will avoid litigation.</p>
6.	<p>13 (10) Regional entity Generating stations</p> <p>(a) drawing start-up power or (b) drawing power during shutdown after COD or (c) for REGS drawing power during non-generation hours or (d) injecting infirm power, through ISTS, shall pay transmission charges for injection or drawl beyond its T-GNA, at the rate of Transmission</p>		<p>Clarity is required as to whether a generator having PPA with local discom for drawal of power during non-generating hours through CTU, are required to declare T-GNA quantum on daily basis.</p> <p>Rationale: Gencos connected to ISTS can take connection from local</p>

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	Deviation Rate for the State in which they are located:		discom to draw power during non generating hours, which make it necessary to capture in the regulation to avoid levying unwarranted Transmission Deviation charges.
7.	<p>Clause (12) of Regulation 13 - In case of a transmission system where COD has been approved in terms of proviso of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or where deemed COD has been declared in terms of Transmission Service Agreement under Tariff based Competitive Bidding, the Yearly Transmission Charges for the transmission system shall be:</p> <p>paid by the transmission licensee whose transmission system is delayed till its transmission system achieves COD, or</p> <p>paid by the generating company whose generating station or unit(s)</p>		<p>There is no contract or direct relationship between the defaulting party and the affected party. It is not proper to require an entity which is not a party to a contract to compensate the affected parties in a contract.</p> <p>We request Hon'ble CERC to consider that wherever there is no contract subsisting between the transmission licensees and defaulting entity whose system is delayed, transmission charges should be recovered through transmission pool irrespective of delay of associated generation or upstream or downstream transmission elements.</p>



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	thereof is delayed, till the generating station or unit thereof, achieves COD, or shared in the manner as decided by the Commission on case-to-case basis, where more than one transmission licensee is involved or both transmission system and generating station are delayed.		This is due to reason that TSPs do not have any agreement with the developer of the generating company or the upstream / downstream transmission entity and hence no transmission charges can be recovered from them. Also, transmission licensees in default are already subjected to liquidated damages under the TSA. However, there is no provision in the TSA or any other agreement for payment of penal charges by the defaulting agency (generating company/Upstream/downstream developers) to the transmission licensee.
8.	New Clause to be included in Regulation 13	Where a Captive consumers/ Bulk Consumers are connected to both ISTS and intra-State transmission system, only ISTS charges and losses shall be applicable on the quantum of GNA corresponding to capacity connected to ISTS.	To maintain continuous and reliable power supply for critical load such as smelter, captive/bulk consumer need to maintain connectivity with STU as well as CTU.  Regulation 17.1(iii) of CERC GNA Regulations 2022, allows bulk consumer to get connected with ISTS. However, there is no clarity in

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			<p>respect of the treatment to the captive consumer. Further, it is requested to clarify this either in GNA Regulation 2022 or through its SOR about dual connectivity of Bulk consumer/captive consumer in similar ways as Generator has been facilitated through first proviso of Regulation 5.1 of GNA Regulation 2022.</p> <p>As an example if a Captive Consumer having 200MW load requirement is connected to STU for Contract demand of 50MW may be allowed to get connected for the balance quantum (up to 150MW) with CTU. In this regard, ISTS charges and losses may be applicable only for the quantum of GNA corresponding to capacity connected to ISTS.</p>
9.	<p>Part 1 of Clause (1), Regulation 13 (as proposed) No transmission charges for the use of ISTS shall be levied for the following GNA quantum (GNA<sub>RE</sub>), for scheduling power from (i) REGS or</p>	<p>No transmission charges for the use of ISTS shall be levied for the GNA quantum, for power from (i) REGS or RHGS based on wind or solar sources or (ii) ESS charged with REGS or RHGS based on wind or solar sources:</p>	<p>There is no rationale to link the waiver in ISTS charges for the RE power w.r.t. its power scheduled. Instead, it should be corresponding</p>

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	<p>RHGS based on wind or solar sources or (ii) ESS charged with REGS or RHGS based on wind or solar sources:</p> $GNA_{RE} \text{ (in MW)} = GNA \times \frac{\sum_{n=1}^T \left( \frac{SDR_G}{SDT_G} \right)}{T}$ <p>Where</p> <p>SDR<sub>G</sub> is drawl schedule (in MW) through ISTS under GNA from entities covered under sub clauses (i) and (ii) of this Regulation in nth block.</p> <p>SDT<sub>G</sub> is total drawl schedule (in MW) under GNA through ISTS from all sources in nth block.</p> <p>‘n’ is the nth time block</p> <p>T is number of time blocks in a month = 96X number of days in a month</p> <p>Provided that in case total drawl schedule (in MW) under GNA through ISTS from all sources, for nth time block, is less than 75% of Maximum schedule corresponding to GNA, the “SDT<sub>G</sub>” shall be taken as 75% of</p>		<p>to the RE capacity (in MW) tied-up / LTA converted to GNA.</p> <p>Also, since the ISTS infrastructure is common corridor for RE as well as non-RE power; thus, any corridor/GNA availed for RE power capacity should be allowed for waiver in ISTS charges.</p>

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	maximum schedule corresponding to GNA for the nth block.		
10.	<p>Part 2 of Clause (1), Regulation 13 (as proposed)</p> <p>No transmission charges for the use of ISTS shall be levied for the following T-GNA quantum, for scheduling power from (i) REGS or RHGS based on wind or solar sources or (ii) ESS charged with REGS or RHGS based on wind or solar sources:</p> $T-GNA_{RE} \text{ (in MW)} = T-GNA \times \frac{\sum_{n=1}^T \left( \frac{SDRTG}{SDTTG} \right)}{T}$ <ul style="list-style-type: none"> <li>• SDRTG is drawl schedule (in MW) through ISTS under T-GNA from entities covered under subclauses (i) and (ii) of this Regulation in nth block.</li> <li>• SDTTG is total drawl schedule (in MW) under T-GNA through ISTS from all sources in nth block.</li> <li>• 'n' is the nth time block</li> <li>• T is number of time blocks in a month = 96X number of days in a</li> </ul>	<p>No transmission charges for the use of ISTS shall be levied for the T-GNA quantum, for power from (i) REGS or RHGS based on wind or solar sources or (ii) ESS charged with REGS or RHGS based on wind or solar sources:</p>	<p>There is no rationale to link the waiver in ISTS charges for the RE power w.r.t. its power scheduled. Instead, it should be corresponding to the RE capacity (in MW) tied-up / LTA converted to GNA.</p> <p>Also, since the ISTS infrastructure is common corridor for RE as well as non-RE power; thus, any corridor/GNA availed for RE power capacity should be allowed for waiver in ISTS charges.</p>

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	<p>month or part of the month, as the case may be</p> <p>Provided that in case total drawl schedule (in MW) under T-GNA through ISTS from all sources for a time-block, is less than 75% of maximum schedule corresponding to T-GNA for the time-block, the “SDTTG” shall be taken as 75% of maximum schedule corresponding to T-GNA.</p> <p>Provided further that the reimbursement, from the already paid T-GNA charges, on account of T-GNARE shall be made ex-post on finalization of schedules, by 15th day of the next month. Provided that in case total drawl schedule (in MW) under T-GNA through ISTS from all sources for a time-block, is less than 75% of maximum schedule corresponding to T-GNA for the time-block, the “SDTTG” shall be taken as 75% of maximum schedule corresponding to T-GNA.</p>		

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	Provided further that the reimbursement, from the already paid T-GNA charges, on account of T-GNARE shall be made ex-post on finalization of schedules, by 15th day of the next month.		