

COMMENTS ON PROPOSED DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION (SHARING OF INTER-STATE TRANSMISSION CHARGES AND LOSSES) (FIRST AMENDMENT) REGULATIONS, 2022

S No.	Regulation No.	Existing/ Proposed Amendment	Recommended / New Provision	Justification & Suggestion
1.	2(1)(i)	‘Designated ISTS Customer’ or ‘DIC’ means the user of any transmission element(s) of the Inter-State Transmission System (ISTS) and shall include generating station, State Transmission Utility (STU), distribution licensee including State Electricity Board or its successor company, Electricity Department of State and any other entity directly connected to the ISTS and shall include an intra-State entity or a trading licensee that has obtained Medium Term Open Access or Long Term Access to ISTS	‘Designated ISTS Customer’ or ‘DIC’ means the user of any transmission element(s) of the Inter-State Transmission System (ISTS) and shall include generating station, standalone ESS , State Transmission Utility (STU), distribution licensee including State Electricity Board or its successor company, Electricity Department of State and any other entity directly connected to the ISTS and shall include an intra-State entity or a trading licensee that has obtained GNA Medium Term Open Access or Long Term Access to ISTS	Would T-GNA holders be covered under the definition of DIC? If yes, then Standalone ESS to covered in the definition of a DIC. Medium Term Open Access or Long-Term Access to ISTS to be replace with GNA
2.	3(4)	Sharing of transmission charges for DICs shall be based on the technical and commercial information provided by the DICs, inter-State transmission licensees, NLDC, RLDCs, SLDCs and CTU to the Implementing Agency.	Sharing of transmission charges for drawee DICs shall be based on the technical and commercial information provided by the DICs, inter-State transmission licensees, NLDC, RLDCs, SLDCs and CTU to the Implementing Agency.	Transmission charges are to be shared by Drawee DICs only. DICs to be replaced with Drawee DICs wherever applicable.
3.	7(1)	Transformer Component for a State shall comprise of Yearly Transmission Charges for inter-connecting transformers (ICTs) along with their associated bays and downstream bays planned for drawal of power by the concerned State. A list of such transformers for each State shall be provided by the Central Transmission Utility to the Implementing Agency.	Transformer Component for a State shall comprise of Yearly Transmission Charges for inter-connecting transformers (ICTs) along with their associated bays and downstream bays planned for drawal of power by the concerned State. A list of such transformers and bays for each State shall be provided by the Central Transmission Utility to the Implementing Agency.	The list should comprise of ICTs and associated bays for determination of the transformer component.

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4.	11(1)	<p>T-GNA Rate (in Rs./MW/block) Short Term Open Access Rate (in paise/kWh) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under:</p> <p>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, of Long Term Access plus Medium Term Open Access for all such entities located in the State considered for billing, for the corresponding billing period.)</p>	<p>T-GNA Rate (in Rs./MW/block) Short Term Open Access Rate (in paise/kWh) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under:</p> <p>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, of Long Term Access plus Medium Term Open Access for all such entities located in the State considered for billing, for the corresponding billing period.)</p>	<p>Under the 2020 Sharing Regulations, the Short Term Charges were equivalent to the long term charges converted to paise/kWh. Amendments propose T-GNA charges to be 110% of GNA charges for the State. T-GNA would be granted on existing margins, and it is a substitute product for Short Term Access. It is suggested that the charges for T-GNA be retained equivalent to State's GNA charges.</p> <p>A REGS availing T-GNA for drawal during non-generation hours, would be using the same transmission infrastructure used for connecting and injecting power in generation mode, however the transmission charges would be 10% higher for all drawls during non-generation hours. It is suggested that the rates of GNA and T-GNA be same.</p>
5.	11 (2)	<p>Transmission charges for T-GNA shall be payable by drawee embedded entities located in the State, as per the last published T-GNA Rate for the State, along with other charges or fees as per GNA Regulations and the Transmission Deviation charges, if any, as per these regulations</p>		<p>Whether REGS taking T-GNA during non-generation hours would be treated as embedded entities located in the state? Kindly clarify.</p>
6.	12(2)	<p>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>1.351.05 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 Long Term Access plus Medium Term</p>	<p>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>1.051.351.05 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 Long Term Access plus Medium Term</p>	<p>Under the 2020 Sharing Regulations, the Transmission Deviation Rate was 5% higher than the transmission charges, as it was reasoned in the SOR that "<i>an entity which has not obtained adequate LTA or MTOA and uses the system over and above its LTA or MTOA, does not pay for such system on a regular basis, while other DICs bear charges for such system. Hence, charges for utilising the system over and</i></p>

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		Open Access of such entities located in the State, considered for billing, for the corresponding billing period X number of days in a month X 962880)	Open Access of such entities located in the State, considered for billing, for the corresponding billing period X number of days in a month X 962880)	above LTA+MTOA has been kept marginally higher.” Same reasoning holds true under the GNA regime and hence the TDR should be retained at 1.05 time above the transmission charges.
7.	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 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>The draft amendments have done way with the exemptions from levy for transmission charges and losses for RE generators. The transmission charges for RE evacuations would no longer be socialized and discoms would be required to pay transmission charges in full for RE power drawn under GNA from the ISTS network. Resultantly, the discoms would be disincentivized to procure RE power since RE procurement would now be compared/ evaluated on landed cost basis with thermal power. The provision of socializing the cost of RE evacuation infrastructure needs to be continued for promotion of RE.</p> <p>MoP through its order dated 23rd Nov 2021 covering Solar, Wind, Hydro PSP and BESS projects commissioned upto 30-06-2025, provided for waiver of inter-state charges which shall be applicable for</p> <ul style="list-style-type: none"> • Solar or wind energy generation set up by any person/entity. The power generated from such sources can be self-consumed or sold to any entity either through competitive bidding, Power Exchange or through bilateral agreement • For trading of electricity generated/ supplied from solar, wind & other sources in GTAM and GDAM upto 30-06-2025

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		<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>The objective behind providing such waivers is promotion of RE and facilitating increased off-take of green power by all categories of consumers. It is recommended that provision for providing waivers in line with the MoP order be incorporated and RE encouraged.</p> <p>Further, Green Hydrogen Policy provides for exemption from transmission charges for RE power utilized for production of green hydrogen and green ammonia. It is not clear how these exemptions would be extended under these amendments.</p>
8.	13(3)(1)	<p>Where COD of a Connectivity Grantee generating station or unit(s) thereof 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 its SCOD, the generating station—Connectivity Grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity Long Term Access granted for the generating station or unit(s) thereof, which have not achieved COD:</p>	<p>Where COD of a Connectivity Grantee generating station or unit(s) thereof 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 its SCOD, the generating station—Connectivity Grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity Long Term Access granted for the generating station or unit(s) thereof, which have not achieved COD:</p> <p>Provided that where the COD of the Connectivity Grantee is extended by the competent authority, the start date of Connectivity in terms of the GNA Regulations would be aligned to and commence from the extended COD of the Connectivity Grantee. The Connectivity Grantee shall pay the Yearly Transmission Charges for the Associated</p>	<p>Ministry of Power's has vide its direction (dated 15th January 2021) issued under Section 107 of EA'2003 has stated as follows:</p> <p><i>“Provided also that where a Renewable Energy generation capacity which is eligible for ISTS waiver in terms of the extant orders, is granted extension in COD by the competent authority, the commencement and the period of LTA shall also get extended accordingly, and it will be deemed that the period of ISTS waiver is extended by the said period.”</i></p> <p>It is suggested that the start date of connectivity be extended and aligned with the extended SCOD of the RE project and transmission charges leveled only if the commissioning of the RE project is delayed beyond the extended SCOD.</p>

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			Transmission System corresponding to Connectivity capacity, which has not achieved the extended COD.	
9.	19	<p>19. Letter of Credit and other instruments of Payment Security Mechanism</p> <p>(1) The Central Transmission Utility shall, at least 3 (three) months prior to the effective date of GNA, in respect of a DIC, give a notice to such DIC, indicating the date of operationalization of such Long Term Access or Medium Term Open Access and requiring the DIC to furnish an irrevocable, unconditional and revolving Letter of Credit through a scheduled bank or any other acceptable instrument of payment security mechanism in favour of the Central Transmission Utility. Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, the DIC shall open such Letter of Credit or provide such acceptable instrument of payment security mechanism that shall be operative from a date prior to the Due Date of its first bill.</p> <p>(2) In case tripartite agreement for securitization on account of arrears against the transmission charges with the Government of India exists, the Letter of Credit or the acceptable instrument of payment security mechanism shall have a term of 12 (twelve) months and shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year:</p>	<p>19. Letter of Credit and other instruments of Payment Security Mechanism</p> <p>(1) The Central Transmission Utility shall, at least 3 (three) months prior to the effective date of GNA, in respect of a drawee DIC, give a notice to such drawee DIC, indicating the date of operationalization of such GNA Long Term Access or Medium Term Open Access and requiring the drawee DIC to furnish an irrevocable, unconditional and revolving Letter of Credit through a scheduled bank or any other acceptable instrument of payment security mechanism in favour of the Central Transmission Utility. Not later than 1 (one) month prior to the date of operationalization of Long Term Access or Medium Term Open Access, the drawee DIC shall open such Letter of Credit or provide such acceptable instrument of payment security mechanism that shall be operative from a date prior to the Due Date of its first bill.</p> <p>(2) In case tripartite agreement for securitization on account of arrears against the transmission charges with the Government of India exists, the Letter of Credit or the acceptable instrument of payment security mechanism shall have a term of 12 (twelve) months and shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year:</p>	It is understood that Transmission charges are to be paid by drawee DIC hence, drawee DIC need to furnish the LC.

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		<p>Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit or provide an acceptable instrument of payment security mechanism for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.</p> <p>(3) If at any time, the amount for which Letter of Credit or the acceptable instrument of payment security mechanism is provided, falls short of the amount specified in Clause (2) of this Regulation, the DIC shall replenish such shortfall within 7 (seven) days of intimation by the Central Transmission Utility.</p> <p>(4) If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility may encash the Letter of Credit or recover through such other instrument of payment security mechanism provided by the DIC, the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.</p> <p>(5) In case of such encashment of the Letter of Credit or recovery through such other instrument of payment security mechanism provided by the DIC, in full or in part, by the Central Transmission Utility in accordance with these regulations, the DIC shall replenish the amount through the Letter of Credit or such other instrument of payment security mechanism, as the case may be, within 7 (seven) days of intimation of such encashment or recovery by the Central Transmission Utility.</p> <p>(6) The DICs shall renew the Letter of Credit or such other instrument of payment</p>	<p>Provided that where such tripartite agreement does not exist, the drawee DIC shall open the Letter of Credit or provide an acceptable instrument of payment security mechanism for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.</p> <p>(3) If at any time, the amount for which Letter of Credit or the acceptable instrument of payment security mechanism is provided, falls short of the amount specified in Clause (2) of this Regulation, the drawee DIC shall replenish such shortfall within 7 (seven) days of intimation by the Central Transmission Utility.</p> <p>(4) If a drawee DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility may encash the Letter of Credit or recover through such other instrument of payment security mechanism provided by the DIC, the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.</p> <p>(5) In case of such encashment of the Letter of Credit or recovery through such other instrument of payment security mechanism provided by the drawee DIC, in full or in part, by the Central Transmission Utility in accordance with these regulations, the drawee DIC shall replenish the amount through the Letter of Credit or such other instrument of payment security mechanism, as the case may be, within 7 (seven) days of intimation of such encashment or recovery by the Central Transmission Utility.</p>	

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		security mechanism, 30 (thirty) days prior to the date of expiry	(6) The drawee DICs shall renew the Letter of Credit or such other instrument of payment security mechanism, 30 (thirty) days prior to the date of expiry	