

Views of GRIDCO on Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022

1. On dated 07.06.2022, Hon'ble Commission has published the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (herein after referred as GNA Regulations, 2022). But, the Statement of Reasons (SoR) to the above Regulation is yet to be uploaded. On dated 11.06.2022, CERC has come out with the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 inviting comments/ suggestions/ objections from the stakeholders while the Explanatory Memorandum for the said Draft Regulations was published on dated 19.09.2022.
2. GRIDCO vide its Letter No. CGM-PP-104/2021/680⁽⁵⁾ dated 04.07.2022 with subsequent follow-up communications requested Hon'ble CERC for uploading the above SoR pertaining to GNA Regulations, 2022.
3. While Hon'ble Commission published the Explanatory Memorandum to the Draft Sharing Regulations, the SoR to GNA Regulations is yet to be published for which some issues raised in GRIDCO's views to draft GNA Regulations are not clear, which has implications on above draft Sharing Regulations.
4. However, considering, Hon'ble Commission has fixed the last date of submission of views to the said Draft Sharing Regulations to 03. 10. 2022, GRIDCO is offering its views on the same without ascertaining the status of reasonings as offered in its views to draft GNA Regulations.

A. Amendment to Regulations 5, 6, 7 and 8 of the Principal Regulations:

GRIDCO's Views:

5. In regard to the above draft Amendments to the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (herein after referred as Sharing Regulations, 2020), GRIDCO likes to put forth the following Regulations of CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022:

Regulation 18.1 (a): *“On the date, these regulations come into force, (a) GNA for a (i) State including intra-State entity(ies) and (ii) other drawee entities, shall be the average of ‘A’ for the financial years 2018-19, 2019-20 and 2020-21:*

where,

‘A’ = {0.5 X maximum ISTS drawal in a time block during the year} + {0.5 X [average of (maximum ISTS drawal in a time block in a day) during the year]}”

Regulation 18.1 (d): *“GNA deemed to have been granted to STU as per clause (c) of this Regulation, shall be published by the Nodal Agency within 30 days of notification of these regulations, as (i) GNA within the region and (ii) GNA from outside the region, in proportion to contracts, within the region or outside the region, under Long Term Access and Medium Term Open Access obtained in terms of the Connectivity Regulations, 2009.”*

Regulation 18.1 (e): *“GNA deemed to have been granted to STU under clause (d) of this Regulation, shall be segregated for each intra-State entity, including distribution licensee, by the respective SLDC, and*

intimated to STU, Nodal Agency and NLDC within 1 month of publication of details by the Nodal Agency under clause (d) of this Regulation.

Provided that in case an SLDC fails to provide such segregation, the pro rata GNA shall be allocated to each intra-State entity in the ratio of their Long Term Access and Medium Term Open Access, as included in the first bill raised in the previous month under the Sharing Regulations.”

6. As per above Regulation 18.1 (a), Deemed GNA of a State including intra-State entity(ies) and other drawing entities comprises of drawals pertaining to Long Term Access (LTA), Medium Term Open Access (MTOA) and Short Term Open Access (STOA) drawls, whereas as per Regulation 18.1 (d), GNA would be segregated into ‘GNA within the region’ and ‘GNA outside the region’ in proportion to contracts within the region and outside the region under ‘Long Term Access’ and ‘Medium Term Open Access’ without taking into consideration the contracts under ‘Short Term Open Access’.
7. As per Proviso to Regulation 18.1 (e), the GNA shall be allocated to each intra-State entity in the ratio of their LTA and MTOA on pro-rata basis in case of failure of SLDC to segregate the same.
8. Under the above conditions, the question arises, when the deemed GNA of a State comprises of LTA, MTOA and STOA drawls, how the segregation/pro-rata allocation of GNA shall be carried out among the intra-State entities in proportion to LTA contracts and MTOA contracts entered into by them without considering the STOA contracts.
9. With the above mode of segregation without taking into consideration the STOA contracts, the intra-state entity (ies) having LTA/MTOA contracts

only (less or no STOA contracts) **shall be allocated higher deemed GNA and have to share higher ISTS charges** having burdened with the STOA drawals of other entity(ies), which is un-just and un-fair in the eyes of Law.

10. **Impact of the above Regulation on GRIDCO and the Consumers of the State of Odisha:**

- i. GRIDCO is the only entity in Odisha, which has ISTS LTA contracts with the CTU, whereas other entities of Odisha draw power from ISTS through STOA contracts.
- ii. Whereas, the deemed GNA of Odisha has been arrived basing on its peak drawl, which comprises of not only drawl corresponding to LTA of GRIDCO, but drawls of Short-Term Open Access Customers also.
- iii. Under this condition, when the deemed GNA of Odisha is assigned to the LTA holder i.e. GRIDCO only, GRIDCO shall have to share the ISTS charges for Short Term Open Access Customers also, as the peak drawl of the State of Odisha correspond to both LTA contracts and Short-Term Contracts also.
- iv. With the above anomalous deemed GNA concept, GRIDCO and the ultimate electricity consumers of the State of Odisha shall go on sharing of transmission charges corresponding to STOA drawls of private entities also in addition to its own drawl.
- v. In the event of GRIDCO relinquishing the GNA out of the said deemed GNA quantum, pertaining to short term open access drawls by other entities, it has to pay relinquishment charges equal to 24 times the transmission charges paid for the last billing month , corresponding to such relinquished quantum in accordance with Regulation 25.1(a) of the GNA Regulations.

11. Therefore, it is prayed to Hon'ble Commission to make suitable provisions in the Regulation 18 (Deemed Grant of GNA) of CERC GNA Regulations, 2022 by either relaxing the above Regulation under Regulation 41 (Power to Relax) or remove the said difficulty under Regulation 42 (Power to remove Difficulty) of the above Regulations, ensuring that GRIDCO and ultimately the consumers of Odisha shall not share higher ISTS charges due to allocation of higher deemed GNA on account of STOA drawls of other entity (ies) of the State.

B. Proposed Amendment to Regulation 11: Transmission charges for Short Term Open Access:

GRIDCO's Views:

12. As per Clause No.4.8 of Explanatory Memorandum to Draft (Sharing of ISTS Charges and Losses) (First Amendment) Regulations,2022:
“(a) Regulation 11 of the 2020 Sharing Regulations pertains to rate of transmission charges for STOA transactions by generating stations or drawee DICs. The GNA Regulations repeal the CERC (Open Access in inter-State transmission system) Regulations,2008 under which STOA is granted. The GNA Regulations have included an access namely T-GNA whose rate is to be notified under the 2020 Sharing Regulations. Under the 2009 Connectivity Regulations and the 2010 Grid Code, drawee DICs could not use its LTA with specific PPA to schedule power under short term contract. However, once the GNA Regulations are effective along with the Grid Code, such short term contracts can be scheduled within GNA itself. If a drawee DIC needs more access for its temporary additional drawl requirement, it may obtain T-GNA.....”

13. Scheduling of Short term contracts within GNA and non-levy of any T-GNA charges for such short term quantum within GNA has not been brought out either in the GNA Regulations, 2022 nor at Regulation 11 of the draft 1st Amendment to Sharing Regulations, 2022. Regulation 26.2 of the GNA Regulations stipulates as under:

“A GNA grantee shall be eligible to apply for T-GNA **over and above the GNA** granted to it

14. Therefore, it is proposed to incorporate the above provision i.e. Scheduling of Short term contracts within GNA and non-levy of any T-GNA charges for such short term quantum within GNA in the 2022 Sharing Regulations in line with Clause No.4.8 of the Explanatory Memorandum to draft Sharing Regulations,2022.

C. Proposed Amendment to Regulation 11 (5):

15. Regulation 11 (5) of the prevailing 2020 CERC Sharing Regulations stipulates:

“No transmission charges for Short Term Open Access for inter-State transmission system, shall be payable by a distribution licensee which has Long Term Access or Medium Term Open Access or both, or by a trading licensee acting on behalf of such distribution licensee.”

16. But the above Regulation has been deleted in 2022 Draft sharing Regulations.

GRIDCO’s Views:

17. In the draft 1st Amendment to 2022 Sharing Regulations, the above Regulation has been omitted without giving any explanation on deletion of the same.

D. Proposed Amendment to Regulation 12: Transmission Deviation

18. Clause No.4.9 (a) of Explanatory Memorandum to 2022 Sharing Regulations stipulates:

“The Regulation pertains to calculation of transmission deviation charges for injecting DICs as well as drawee DICs. Under the GNA Regulations injecting entities shall have deemed GNA equal to the quantum of Connectivity. Further Drawee DICs may have GNA and T-GNA or only T-GNA. The drawee DICs shall pay transmission charges under the first bill for their GNA plus T-GNA. Hence, transmission deviation need to be calculated for drawl beyond GNA plus T-GNA. Any Drawee DICs having only T-GNA, net metered drawl of Drawee DICs in a time block in excess of T-GNA shall be considered as transmission deviation.”

GRIDCO’s Views:

19. The following stipulation as per Clause 4.9 of Explanatory Memorandum to draft 1st Amendment to Sharing Regulations,2022 should be incorporated in Regulation 12 (Transmission deviation) of the above Regulations:

“Any Drawee DICs having only T-GNA, net metered drawl of Drawee DICs in a time block in excess of T-GNA shall be considered as transmission deviation.”

E. Proposed Amendment to Regulation 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.”

GRIDCO's Views:

20. No explanation/genesis on the rate of Rs.3000/MW/month given in Explanatory Memorandum to above draft Regulation.

21. In case of non-availability of Generating Stations, the DICs who are granted LTA from the said Generating Stations cannot avail their share of Power. However, these DICs have to pay the ISTS charges corresponding to the shares, for the said period. In view of such anomaly, the following Clause may kindly be added in the 1st amendment to Sharing Regulations, 2020.

“During non-availability of Power from the Generating Stations, the ISTS Charges for the said period is to be borne by the respective Generating Stations in proportionate to the quantum of share granted to the said DICs.”