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To
The Secretary
Central Electricity Regulatory Commission
3 rd & 4 th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Date: 05/07/2022

Dear Sir,

Sub: Comments/Objections on CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022, dated 11th June 2022.

Energy is a key focus area in ITC's strategy for mitigating climate change risks and sustainability is a core objective in all business operations, thereby making renewable energy portfolio, a top priority. Systematic implementation of action plans has resulted in current renewable energy share of about 42% with a target to meet 50% of total energy requirement from renewables by 2030. ITC's current installed capacity is 178 MW (140 MW of Wind Energy and 38 MW of Solar Energy).

In line with the aforesaid strategy, Company set up a 46 MW Wind Power Plant at Anantapur in the erstwhile undivided State of Andhra Pradesh (AP) at an investment of Rs 321 Cr in the year 2014. The project was setup mainly to cater to the energy requirement of ITC's Paper & Paper Board Manufacturing unit at Bhadrachalam (now part of Telangana-TS) and other installations in the then undivided Andhra Pradesh. Post bifurcation of Andhra Pradesh, transmission of power from the Plant in Andhra Pradesh to factories in Telangana requires Inter-State Open Access approval (ISOA), being two different States.

Inter-State Open Access Transmission of wind power from Andhra Pradesh to Telangana involves below mentioned charges & losses (*Annexure-1: Process of Inter-state open access*)

Charges	Rs/MWh	Losses	%
Transmission charges (AP)	241	Transmission (AP)	3.03
Inter State Transmission System (ISTS) /Point of connection (POC) charges	426	Inter State Transmission System (ISTS) /Point of connection (POC)	3.18
Transmission Charges (Telangana)	180	Transmission (Telangana)	2.57

Charges & Losses for Inter-State and Intra-State open access transmission of power

	Inter-State transmission	Intra-State transmission
Charges, Rs/kWh	1.12	0.25
Losses, %	8.78	3

The incremental transmission charges & losses for Inter-State Open Access has resulted in higher cost thereby impacting the viability of the existing Renewable Energy investments, which has already suffered losses due to inconsistent wind pattern. As per CERC's sharing of charges & losses Regulations, ISTS/POC charges & losses are levied only for Inter-State wheeling of power.

- Ministry of Power vide its Order No. 23/12/2016-R&R dated 23rd November 2021 (*Annexure-2*) has prospectively waived Inter-State Transmission (ISTS)/ POC Charges on transmission of power generated from solar and wind sources.
 - **Clause 3.1 (i) of the aforesaid Order provides for applicability of waiver of Inter-State Transmission Charges (ISTS)/ POC Charges for "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".**
- CERC issued Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 on 11th June 2022 and invited comments/ suggestions/ objections from the stakeholders and interested persons on the above Draft Regulations on or before 11/07/2022.

As per the Draft Regulations, Transmission charges for Temporary General Network Access (T-GNA, similar to Short-term open access as per CERC Open Access Regulations) shall be payable as per clause 2 of Regulation 11.

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."

Basis the above, Inter-state transmission (ISTS)/Point of Connection (POC) Charges are payable by all the T-GNA grantees including Wind and Solar.

Issue: Draft Amendment Regulations not considered the waiver of ISTS/POC charges on the transmission of power for self-consumption from Wind and Solar generation sources as per the provisions of the MOP Order dated 23rd November 2021.

We bring to the kind notice of Honourable Commission that while issuing the Draft Amendment Regulations, provisions of Ministry of Power order dated 23rd November 2021 related to the waiver of ISTS/POC charges has not been considered. This indeed is necessary for viability of the existing Renewable Energy Generation Projects, which has already suffered losses due to inconsistent wind pattern.

Our Prayer: It is humbly requested to consider the waiver of ISTS charges on transmission of power generated from Wind and Solar energy sources as part of the final Regulations, from the date of the aforesaid Order.



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