

No. 23/16/2022-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 7th October, 2022

To,

The Secretary
Central Electricity Regulatory Commission
Chanderlok Building, 36 Janpath, New Delhi-110001

Sub: Comments on draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022-Reg

Sir,

I am directed to refer the draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 circulated on 11th June, 2022 and subsequent amendments notified on 18th August, 2022. In this regard, the comment/suggestions on the proposed regulation are as follows:

I. Treatment of waiver of ISTS charges for drawl of power from specified RE sources:-

- a. In the aforesaid draft CERC Sharing Amendment Regulations, 2022 issued on 11th June, 2022, the waiver of ISTS charges provisions mentioned at MoP order dtd. 23.11.2021 & 30.11.2021 were not included and the existing provisions related to waiver of charges for using ISTS were also proposed to be omitted. Accordingly, MoP vide letter dtd. 17.08.2022 (copy enclosed) had forwarded the comments on the proposed amendments suggesting CERC that the waiver of ISTS Charges for use of ISTS are required to be in line with MoP orders issued on 23rd November, 2021 and addendum dated 30th November, 2021.
- b. It is observed that the proposed supplementary amendment also are not in line with the provisions regarding waiver of Transmission charges as per aforesaid MoP orders. In the proposed amendment, the waiver is proposed based on scheduled energy from RE sources, while in existing methodology the waiver is on total quantum of LTA. Thus, waiver for the States will be reduced. A cap of 75% on the total schedule has also been proposed resulting in less waiver for drawal of RE power by the State. Similarly, for captive users also, as per proposed formula, the waiver of ISTS charges for drawal of RE power would be only for the time blocks, when RE is scheduled for other time blocks there will be no waiver. Thus, for captive users also the effective waiver will be reduced. The issue of waiver of ISTS charges for RE drawal was also discussed in a meeting taken by Secretary, Ministry of Power, wherein it was decided that extensive analysis based on computation of transmission charges waiver for certain states would be done to find out the suitability of the present formula. It was also decided that amendment of CERC sharing Regulations should in no way result in reduction of waiver for usage of ISTS; which may affect development of RE sector in the country.
- c. Further, certain provisions in the aforesaid MoP orders are not covered in the proposed amendments. The details of such provisions are as under:


- ISTS charges shall be levied for the Solar, Wind, Hydro PSP and BESS Projects commissioned after 30.06.2025, gradually with effect from 1st July, 2025 in steps of increment of 25% in each year and from 1.7.2028, it will be 100%.
- Para 3.1 (ii) a) and (b) of MoP Order state that for Hydro PSP, at least 51% of total energy requirement for Pumping the water should be met from RE power. Similar condition is imposed for BESS also. But as per CERC draft, all the RE Generators are exempted.
- As per MoP order, Waiver of ISTS charges applicable for 25 years for Solar, Wind and Hydro PSP and 12 years for BESS projects. These provisions should be reflected in CERC Regulation.
- Para 3.1(v) of MoP order provides waiver of ISTS charges for Green Hydrogen production plants commissioned upto 30.06.2025 for a period of 8 years from the date of commissioning, using solar, wind and sources mentioned in Para 3 (ii) and (iii) of MoP order.
- Para 3.3 of MoP order provides ISTS charges shall be waived for Solar PV plants commissioned under SECI Tender for manufacturing linked capacity scheme for sale to entities for having RPO, whether irrespective of this power is within RPO or not.

II. **Issue on sharing of transmission charges under force majeure :-** A direction under Section 107 of Electricity Act 2003 dated 15th January, 2021(Copy enclosed) was issued by MoP regarding sharing of transmission charges under force majeure conditions. In the aforesaid direction, CERC was directed to amend the Regulations related to the penalty provisions on delay of CoD due to mismatch in commissioning of generation Project and associated transmission system or down-stream transmission system. In the said direction, it was also mentioned that where a RE project, eligible for ISTS charges waiver, is granted extension in Commercial Operation Date by the competent authority, the commencement and period of Long Term Access shall also get extended accordingly, and it will be deemed that the period of ISTS charge waiver is extended by the said period. In this regard, communications were sent to CERC vide letters dtd dated 13th June, 2022, 17th Aug, 2022 and 12th September, 2022 for implementation of aforesaid directions(Copy enclosed). In order to reduce the burden and risk of the transmission licensees, it is requested that the aforesaid direction may be included in the proposed amendments., in line with the aforesaid MoP direction dtd. 15th January, 2021.

2. In view of above, CERC Regulations are required to be aligned with the aforementioned MoP orders and directions .
3. This issues with the approval of competent authority.

Encl:- as above

Yours, faithfully,



(Dr. P.K. Sinha)

Deputy Secretary to Government of India

Ph: 011-23736275

Copy to:

Sr. PPS to Secretary(Power), PSO to CE(R&R), Ministry of Power.