MPSEZ Utilities Limited (MUL) Comments on Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 and Supplementary Notification to the Draft Amendment.

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.

Sr. No.	Existing Clause No.	Existing/Proposed Clause	Proposed Clause	Remarks
1	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_{RE}), 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: $GNA_{RE}\text{ (in MW)} = GNA \times \frac{\sum_{n=1}^{T}\left(\frac{SDR_G}{SDT_G}\right)}{T}$ Where, SDRG is drawl schedule (in MW) through ISTS under GNA from entities covered under sub	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:	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. Also, since the ISTS infrastructure is common corridor for RE as well as non-RE power; thus any

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		clauses (i) and (ii) of this Regulation in nth block. SDTG is total drawl schedule (in MW) under GNA through ISTS from all sources in nth block. 'n' is the nth time block T is number of time blocks in a month = 96X number of days in a month 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 "SDTG" shall be taken as 75% of maximum schedule corresponding to GNA for the nth block.		corridor/GNA availed for RE power capacity should be allowed for waiver in ISTS charges.
2	Part 2 of Clause (1), Regulation 13 **(as proposed)**	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:	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:	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)

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		$\text{T-GNA}_{RE}\text{ (in MW)} = \text{T-GNA X}\frac{\sum_{n=1}^{T}\left(\frac{SDR_{TG}}{SDT_{TG}}\right)}{T}$ • 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. • SDTTG is total drawl schedule (in MW) under T-GNA through ISTS from all sources in nth block. • 'n' is the nth time block • T is number of time blocks in a month = 96X number of days in a month or part of the month, as the case may be. 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		tied-up / LTA converted to GNA. 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.

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		taken as 75% of maximum schedule corresponding to T-GNA. 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.		
3	Part 3 of Clause (1), Regulation 13 **(as proposed)**	Clauses (1) and (2) of this Regulation shall be applicable for scheduling of 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 which have declared commercial operation upto 30.6.2025.	Clauses (1) and (2) of this Regulation shall be applicable 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 which have declared commercial operation up to 30.6.2025 and the project covered under sub clause (4) & (5) of regulation 13 (1). Provided, in case of the commercial operation date of projects of connectivity grantee covered under 13 (1), (2), (4) & (5) surpasses	It is proposed so as to align same with the MOP Order dated 30.11.2021 on Waiver of inter-state transmission charges. As Renewable Energy Projects are highly capital extensive infra projects which requires at least 18-24 months' time starting from identification of land, availability of

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			the date of 30.06.2025 but have the valid extension in SCOD/SCD granted by competent authority/nodal agency which was eligible for such waiver as per the original SCOD/SCOD, shall continue to be eligible for such waiver in terms of regulation 13. Transmission charges for the use of ISTS shall be gradually as per following trajectory for the GNA and TGNA 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 **commissioned after 30.06.2025:**	substation, bays, ROW issues, connectivity etc. and therefore in order to have long term visibility and certainty to the renewable power generation and for promotion of drawl of power from RE, would request Hon'ble Commission to kindly allow concessions on ISTS charges **beyond 30.06.2025 gradually in line with the MoP's guidelines**.

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<tr><th>Sr. No.</th><th>Existing Clause No.</th><th>Existing/Proposed Clause</th><th>Proposed Clause</th><th>Remarks</th></tr>
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<table>
<tr><th>S. No.</th><th>Period of Commissioning</th><th>Inter-State Transmission Charges</th></tr>
<tr><td>1</td><td>01.07.2025 to 30.06.2026</td><td>25 % of the applicable ISTS charges</td></tr>
<tr><td>2</td><td>01.07.2026 to 30.06.2027</td><td>50 % of the applicable ISTS charges</td></tr>
<tr><td>3</td><td>01.07.2027 to 30.06.2028</td><td>75 % of the applicable ISTS charges</td></tr>
<tr><td>4</td><td>From 01.07.2028</td><td>100 % of the applicable ISTS charges</td></tr>
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However, it is clarified that on account of any delay in grid access operationalization, in case of any extension in SCD beyond 30.06.2025, but have the valid extension in SCOD/SCD granted by competent authority/nodal agency/MNRE/SECI/REIA for such projects, which was eligible for
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			waiver of transmission charges for the use of ISTS as per the original SCOD/SCOD, shall continue to be eligible for 100% waivers on transmission charges for the use of ISTS network .	
4	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 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.)"	"(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 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.)"	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 same. The same philosophy has been followed by CERC in its earlier Regulations.

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				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. Also, to promote development of Power markets the parity between the charges payable by GNA and TGNA users should be maintained. The Users having long term requirement and

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				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. Use of GNA by other Users is allowed, also charges collected under T-GNA will be reimbursed to GNA Users. Therefore any arbitrage between these charges may push Users to book higher GNA which may create artificial shortfall in capacity, hence the charges should be same.
5	Regulation 12 (2)	"(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	"(2) Transmission Deviation Rate in Rs./MW, for a State or any other DIC located in the State, for a time	(1) DISCOMs/States are expected to buy the power & book Transmission corridor

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		month shall be computed as under: 1.35 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)"	block during a billing month shall be computed as under: 1.10~~35~~ 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)"	as per forecasted demand, hence generally Transmission deviation is not expected under day today operations. (2) Under exceptional situations, due to shortfall/reduction in planned supply, overdrawl is expected which may result in Transmission deviation. Therefore, the charges for transmission deviation should be reasonable and, to start with, it may be kept at 110% instead of 135% and it may be increased based on operational experience, if required. Present charges are at

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				105%, hence increase to 110% would be reasonable & justified. (3) Further, CERC DSM Regulations have already put in place stringent deviation charges which ensures that over drawl is minimal, hence the deviation charges should be reasonable and may be considered at 110%.
6		Additional Proviso to Regulation 13(1)	Following proviso to be added: Provided further that all notifications / concessions / policies issued by GoI /MoP in relation to applicability of Transmission charges & losses to RE projects prior to notification of this amendment to the principal Regulation shall be deemed to be available under this Regulations	To ensure Policy & Regulatory certainty
7		General	New Provision: ISTS charges for GNA should be on the basis of its usage.	For giving flexibility to GNA users

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<table><tr><td>Time</td><td>Demand (MW)</td></tr><tr><td>0 to 10 Hrs</td><td>1000 MW</td></tr><tr><td>10 to 18 Hrs</td><td>1500 MW</td></tr><tr><td>18 to 24 Hrs</td><td>1000 MW</td></tr></table>
Now basis the above demand curve in case GNA approved is for 1500 MW, Discom has to pay for ISTS charges for entire 1500 MW although Discom uses additional 500 MW for only 33% of time (8/24 Hrs).

Accordingly, we propose that ISTS charges for additional 500 MW (during 10 to 18 Hrs) should be paid in proportion to the number of hours used i.e here only 33% and not for 100% quantum.</td><td></td></tr>
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