



Ref: PTC/Strategy/CERC/Sep 01/

Date: 20/09/2022

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

Sub: PTC's Comments on CERC Supplementary Draft Notification No. L-1/250/2019/CERC dated 18.08.2022

Dear Sir,

This is with reference to the supplementary draft notification issued by CERC on Draft Central Electricity Regulatory Commission (CERC) (Sharing of Inter-State Transmission Charges & Losses) (First Amendment) Regulations, 2022 (Draft Regulations) on 18th August' 2022.

Prior to the issue of this notification, PTC has submitted its comments vide its Letter PTC/Strategy/CERC/Aug 01 dated 18th August' 2022 on Draft Regulations (attached as Annexure –A for your reference).

Given that this supplementary draft notification proposes additional amendments to the Principal Regulations and shall form a part of the Draft Regulations issued earlier, we welcome these supplementary amendments and request the Honourable Commission to kindly consider the enclosed annexure (Annexure-B) of our detailed comments with regard to the same.

For any further clarification, we are also available for an in-person interaction as per your convenience.

Thanking you,

Yours faithfully,
For PTC India Ltd.


Rajesh Cherayil
Chief Strategy Officer



Ref: PTC/Strategy/CERC/Aug 01/ 1944

Date: 18/08/2022

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

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

Dear Sir,

This is with reference to the Draft Central Electricity Regulatory Commission (CERC) (Sharing of Inter-State Transmission Charges & Losses) (First Amendment) Regulations, 2022.

We, at PTC India Limited, welcome this initiative by the CERC to synchronize the regulations governing the sharing of inter-state transmission charges and losses (ISTS Charges) with the issued regulations on General Network Access (GNA).

Given that these regulations propose a different approach to the accounting, sharing, invoicing and realization of the ISTS Charges, we would request that **an explanatory memorandum may be provided** to understand the rationale for the proposed changes.

Additionally, the implications to the yearly transmission charges (YTC) due to these proposed amendments may be provided as an illustration. **Explanations for the use of specific multipliers in temporary-GNA (T-GNA) charges and Transmission Deviation Rates (TDR)** would also be useful to understand the overall implications.

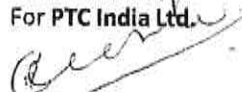
The exclusion of **Battery Energy Storage Systems (BESS) and Pump Storage Systems (PSP)** especially during charging cycles as being equivalent to Drawee Designated Interstate Customers (DICs) seems like **an inadvertent omission** and we would request the Honourable Commission to examine the same.

We would also request for the rationale for removing the **exemption of ISTS charges for Renewable Energy (RE) Projects** complying with specific conditions under extant regulations.

Therefore, we welcome these draft amendments and request to kindly consider the enclosed annexure (Annexure-A) of our detailed comments for your kind reference. We are available for an inperson interaction, if deemed required by the Honourable Commission to clarify any aspect of our representation.

Thanking you,

Yours faithfully,
For PTC India Ltd.


Rajesh Cherayil
Chief Strategy Officer



(Annexure – A)

Subject: Comments on CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 (“Draft Regulations”)

1. Key Observations:

A. General Observations:

The Draft Regulations have been notified without an Explanatory Memorandum (EM). This makes it difficult to draw inferences on provisions introduced, modifications made to calculations and deletion of clauses in the erstwhile regulations without a corresponding provision in the proposed amendments.

B. Observations & comments related to changes or deletion of specific clauses:

S. No.	Clause No.	Original Terms and Conditions	Observations and Comments
1.	2.(1).(h)	Sub-clause (h) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under: “(h) ‘Drawee DIC’ shall mean the DICs which draw power through ISTS but does not include ESS”	Since the definition of ‘Drawee DIC’ excludes the Energy Storage System (ESS), it would be pertinent to clarify on the treatment of ESS or Pump Storage Power Plants (PSP) during their charging cycles while using the Inter-State Transmission System (ISTS). Therefore, the status of ESS & PSP during the charging cycles may be elaborated in the final regulations.
2.	11.(1)	Clause (1) of Regulation 11 of the Principal Regulations shall be substituted as under: “(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: <i>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.)</i> ”	A new multiplying factor of 1.10 has been introduced in the revised calculation as per the Draft Regulations. No rationale or corresponding explanatory clause has been provided in the Draft Regulations to understand the implication of the multiplying factor. An illustration comparing the implication of the Draft Regulations as compared to the calculation in the existing regime will clarify the implications for all stakeholders.

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(Annexure – A)

3.	11.(5)	Clause (5) of Regulation 11 of the Principal Regulations shall be deleted.	As per the Principal Regulations, no short-term open access (STOA) charges shall be applicable on Distribution Licensees having long-term access (LTA)/ medium-term open access (MTOA). However, the Draft Regulations have removed this clause and since no corresponding clause has been proposed, it is inferred that t-GNA charges shall be payable by all Drawee DICs irrespective of the GNA charges paid by Drawee DICs. An explanation on the interpretations would clarify this issue.
4.	12.(2)	Clause (2) of Regulation 12 of the Principal Regulations shall be substituted as under: “(2) Transmission Deviation Rate (TDR) 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: 1.35 X (transmission charges for GNA of entities located in the 6 P a g e 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)”	The Draft Regulations has revised the multiplying factor of 1.05 to 1.35 in the formula for calculating the Transmission Deviation Rate (TDR). For such a steep revision no explanation has been provided. We request that a rationale may be provided in the Statement of Reasons to be issued with the Final Regulations.
5.	13.(1) & 13.(2)	Clauses (1) and (2) of Regulation 13 of the Principal Regulations shall be deleted.	The removal of exemption of renewable projects fulfilling certain conditions while calculating yearly transmission charges may remove the incentives under extant regulations to promote RE based generation. We request such provisions may be made consistent with current incentives under extant regulations/guidelines.

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(Annexure – A)

6.	19.(7)	Clause (7) of Regulation 19 of the Principal Regulations shall be deleted.	Under Regulation 19 of the Principal Regulations, in case any DIC fails to maintain a Letter of Credit or such instrument for the payment security mechanism, penal provisions apply. However, the removal of this provision from the Draft Regulations without instituting any corresponding clause or a clear explanation on treatment of such defaults may create ambiguity. It is requested that the issue may be examined.
7.	21	Regulation 21 of the Principal Regulations shall be deleted.	The Principal Regulations stipulated provisions regarding consequences of non-payment of dues by Drawee DICs. However, the Draft Regulations have removed this clause without instituting any corresponding clause. A provision regarding treatment of such defaults by Drawee DICs in the final regulations will remove any ambiguity.

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(Annexure – B)

Subject: Comments on Supplementary Draft Notification No. L-1/250/2019/CERC dated 18.08.2022, CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022 (“Draft Regulations”)

A. Observations & comments related to changes of specific clauses:

S. No.	Clause No.	Original Terms and Conditions	Observations and Comments
1.	4 (2)	Computation of T-GNA _{RE} (in MW)	Regarding calculation of T-GNA _{RE} for the proposed exemption under the draft guidelines, it is our assessment that it requires granular data capturing and analyzing an extremely large set of data. For example, in every instance, four (4) sets of data in each time block have to be captured and maintained namely GNA _{RE} , GNA _{Non-RE} , T-GNA _{RE} and T-GNA _{Non-RE} . At present the RLDC scheduling system does not provide for this categorization of data. All Drawee DICs as well as RLDC must maintain this large set of data every day for calculation of transmission charges for GNA and for calculation for refund of T-GNA charges for the month (as Drawee DIC has to pay the entire charges upfront at the time of booking the T-GNA irrespective of source of energy). Hence Drawee DIC has to incur additional cost towards data analysis and include additional workflows. T-GNA may vary in each time block of the month. Hence, an elaborate procedure

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(Annexure – B)

		<p>may need to be formalised for calculation of T-GNA_{RE} for the month. Alternatively, the present system of applicability of transmission charge for the eligible RE sources (as per eligibility) already captured in the NOC and Drawee DIC who are drawing power from eligible RE sources are exempted from STOA and which is proposed to be replaced by T-GNA maybe continued as it is easily calculable.</p>
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