

**Pankaj Kumar, IAS**

**Managing Director**



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No: **330** /RAU/Regulation

Dated: **23** July, 2022

✓ **Secretary,**  
**Central Electricity Regulatory Commission,**  
**3<sup>rd</sup> Floor, Chandralok Building,**  
**36, Janpath,**  
**New Delhi.**

**Sub:** Comments on Central Electricity Regulatory Commission (sharing of Inter-state transmission charges and losses) (First Amendment) Regulations, 2022.

Sir,

Please refer to letter no. L-1/250/2019/CERC dated 11<sup>th</sup> June, 2022 of Secretary, CERC, New Delhi on the above subject. The desired comments of U.P. Power Corporation Ltd. on the subject matter are enclosed herewith.

Thanking you.

**Encl: As above.**

Yours sincerely,

  
**(Pankaj Kumar)**  
**Managing Director**

**No.            /RAU/Regulation            Dated:            2022**

Copy to: Additional Chief Secretary (Energy), Govt. of U.P., Babu Bhawan, Lucknow for information please.

  
**(Pankaj Kumar)**  
**Managing Director**



**Comments on First Amendment on Sharing of Inter-State Transmission Charges and Losses Regulations**

The Central Electricity Regulatory Commission (CERC) has issued the draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022. The Commission has invited comments and suggestions on the draft by July 11, 2022. The clause wise comments are as under: -

<b>Clause</b>	<b>Notified Regulation (2020)</b>	<b>Proposed Amendment Regulation (2022)</b>	<b>Comments/ Remarks</b>
2 (1) (b)	<i>"(b) 'Associated Transmission System' or 'ATS' means the transmission system identified for a generating station by the Central Transmission Utility in the Long Term Access grant."</i>	<i>"(b) 'Associated Transmission System' or 'ATS' shall have the same meaning as defined in GNA Regulations;"</i>	<p>The GNA Regulations define Associated Transmission System (ATS) as the augmentation required for immediate evacuation of power of the Applicant (s), excluding terminal bay(s).</p> <p>In the Sharing Regulations, initially the ATS was to be identified by CTU for a generating Station. However, the definition is now applicable to a system required by an applicant requesting for grant of connectivity for immediate evacuation of power. CTU shall be responsible for identifying the associated transmission system for that applicant after conducting interconnection study.</p> <p>Regulation 6 of GNA Regulations provides that out of the total augmentation of transmission system required for evacuation of power by an Applicant, only the system required for immediate evacuation of power excluding terminal bays is defined as ATS.</p> <p><b>Clarity to be provided on the treatment of remaining transmission system including terminal bays and how the cost of such transmission asset would be recovered through the Sharing Regulations.</b></p>

  
 ( आर० ए० सी० महेश्वर १०२२ )  
 अध्यक्षण अभियन्ता (आर०ए०सी०)

Clause	Notified Regulation (2020)	Proposed Amendment Regulation (2022)	Comments / Remarks
11 (1)	Short Term Open Access Rate (in paise/kWh) shall be published for each billing month by the Implementing Agency which shall be calculated State-wise as under: Transmission charges of the State for the billing month (in rupees) / (7200 X the quantum, in MW, of Long Term Access plus Medium Term Open Access of the State for the corresponding billing period)	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.)	Transmission Charges for T-GNA is considered in terms of Rs./MW/block as defined in GNA Regulations. Accordingly the charges for short term are now replaced from paise/kWh to Rs./MW/block. The billing for T-GNA is proposed to be made with a multiple of 1.10, proportionately divided into the quantum of T-GNA availed by the entity. <b>Clarity is required for considering the multiple of 1.10 on the first bill.</b>
12 (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 month shall be computed as under: 1.05 X (transmission charges of the State for the billing month in Rs.) / (quantum in MW of Long Term Access plus Medium Term Open Access of the State for the corresponding billing period X 2880)	(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 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)"	<b>It is submitted that the deviation charges have been increased from a multiplication factor of 1.05 to 1.35. There is no basis provided for proposed increase in deviation charges.</b> Further, CERC has also introduced Ancillary Services Regulations, 2022, wherein enough standby arrangement is to be provided by the Utility for stability and security of the grid operations. This has already imposed enough burden on Utilities. Hence there is no reason for increasing the deviation charges under the proposed Regulations. Therefore, the deviation charges shall be retained to the charges as specified in the prevailing Sharing Regulations. In this context, it is suggested that Deviation Rate may be linked with the percentage (%) of deviation as applicable to the various Generating Companies in the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022, instead of a fixed 135% Deviation Rate in Rs./MW as proposed in the draft.

21.7.2022  
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श्री ११० पृष्ठ ( श्री ११० पृष्ठ )

Clause	Notified Regulation (2020)	Proposed Amendment Regulation (2022)	Comments/ Remarks
13 (1) (2)	<p>13. Treatment of transmission charges and losses in specific cases</p> <p>(1) No transmission charges and losses for the use of ISTS shall be payable for:</p> <p>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</p> <p>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding; and (ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</p>	<p><del>13. Treatment of transmission charges and losses in specific cases</del></p> <p><del>(1) No transmission charges and losses for the use of ISTS shall be payable for:</del></p> <p><del>(a) generation based on solar power resource for the useful life of the projects commissioned during the period from 1.7.2011 to 30.6.2017.</del></p> <p><del>(b) generation based on solar or wind power resources for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</del></p> <p><del>(i) Such generation capacity has been awarded through competitive bidding; and (ii) Such generation capacity has been declared under commercial operation during the period from 1.7.2017 to 12.2.2018 for solar based resources or during the period from 30.9.2016 to 12.2.2018 for wind based resources; and</del></p> <p><del>(iii) Power Purchase Agreement(s) have been executed for sale of power from such generation capacity to the Distribution Companies for compliance of their renewable purchase obligation.</del></p>	<p>The clause 13 (1) speaks about the treatment of transmission charges and losses in specific cases. Since the transmission charges and losses are now governed by GNA Regulations and no specific cases are considered under the GNA Regulations, the clause is proposed to be deleted.</p> <p>Since the generator is no longer eligible for grant of GNA for medium and long term the subsequent clause of Regulation 13 (2) is also deleted.</p> <p>In this context, it is important to note that as per the existing regulatory frameworks, no transmission charges and losses for the use of ISTS shall be payable by the certain Solar and Wind generator. Therefore, these charges are being socialized as per the existing regulation. However, as per the proposed regulation, the burden of the same will be borne by the respective DICs.</p> <p><b>In this context, it is suggested that the amenity provided to specific SW generators may be retained with the treatment that the transmission charges and losses for these SW generators shall not be accounted for the sharing purpose by drawee DICs.</b></p>

  
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 अधीक्षण अभियन्ता (आर०ए०ए०)

Clause	Notified Regulation (2020)	Proposed Amendment Regulation (2022)	Comments / Remarks
	<p>obligation.</p> <p>(c) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations</p> <p>Where a generating station or any other seller has been granted Long Term Access or Medium Term Open Access and has entered into Power Purchase Agreement(s) for supply of power under such Long Term Access or Medium Term Open Access, the</p>	<p>(e) generation based on solar or wind power resources, for a period of 25 years from the date of commercial operation, fulfilling the following conditions:</p> <p>(i) Such generation capacity has been awarded through competitive bidding process in accordance with the guidelines issued by the Central Government; and</p> <p>(ii) Such generation capacity has been declared under commercial operation during the period from 13.2.2018 to 31.12.2022; and</p> <p>(iii) Power Purchase Agreement(s) have been executed for sale of such generation capacity to all entities including Distribution Companies for compliance of their renewable purchase obligations</p> <p>Where a generating station or any other seller has been granted Long Term Access or Medium Term Open Access</p>	

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अधीक्षक अभियन्ता (आर०एच०)

Clause	Notified Regulation (2020)	Proposed Amendment Regulation (2022)	Comments/ Remarks
	<p>transmission charges towards such Long Term Access or Medium Term Open Access for components identified under Regulations 5 to 8 of these Regulations shall be determined at the drawal nodes, and billed to the buyer(s) after COD of generating station or unit(s) thereof.</p> <p>Provided that where the generating station or any other seller is responsible to pay the transmission charges in terms of the Power Purchase Agreements, bills for transmission charges shall be raised on the buyer notwithstanding the provision in the PPA and settlement of the transmission charges inter se between the buyer and the generating station or the seller shall be made in terms mutually agreed</p>	<p><del>and has entered into Power Purchase Agreements(s) for supply of power under such Long Term Access or Medium Term Open Access, the transmission charges towards such Long Term Access or Medium Term Open Access for components identified under Regulations 5 to 8 of these Regulations shall be determined at the drawal nodes, and billed to the buyer(s) after COD of generating station or unit(s) thereof.</del></p> <p><del>Provided that where the generating station or any other seller is responsible to pay the transmission charges in terms of the Power Purchase Agreements, bills for transmission charges shall be raised on the buyer in terms of this clause notwithstanding the provision in the PPA and settlement of the transmission charges inter se between the buyer and the generating station or the seller shall be made in terms of the PPA or as may be mutually agreed</del></p>	
13 (7)	<p>Where Long Term Access is granted to a generating station on existing margins and COD of the generating station or unit(s) thereof is</p>	<p>Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall,</p>	<p>The transmission charges for connectivity to connectivity grantees has been revised from 10% of the transmission charge per MW for the state to a fixed charge of Rs. 3000/MW/month.</p>

  
 21.7.2022  
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 अधीक्षण अभियन्ता (अरोएचओ)

Clause	Notified Regulation (2020)	Proposed Amendment Regulation (2022)	Comments/ Remarks
23 (4)	<p>delayed, the generating station shall, corresponding to the capacity that is delayed, pay transmission charges at the rate of 10% of transmission charge per MW for the State where such generating station is located. Provided that the amount so received in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.</p>	<p>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. Provided that the amount so received in a billing month, shall be reimbursed to the DICs in proportion to their share in the first bill in the following billing month.</p>	<p>It is requested to kindly provide the basis for deciding the transmission charges for connectivity at Rs. 3000/MW/month which would be standard for all connectivity grantees.</p>
	<p>New Clause</p>	<p>The Implementing Agency shall, within 45 (forty five) days of the notification of this amendment, publish the revised detailed procedures for implementation of the provisions of this amendment after stakeholder consultation.</p>	<p>Additional clauses directing the NLDC to come up with detailed procedure on the amended Regulations within 45 days of notification.</p> <p>It is suggested, that concept paper may be published by the Implementing Agency to assess the financial impact on drawee GNA grantee after implementation of these Regulations.</p>

21.7.22  
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