

**Comments on the draft the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022.**

**1. Transmission Charges liability on Renewable Energy Power Park Developer**

M/s Soltown Infra Private Limited (Soltown) is, the Rajasthan State Government approved, a Private Solar Power Park Developer developing 2000 MW Solar Power Park in the State of Rajasthan.

In accordance with the fourth Proviso to Regulation 8 (1) of the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 (CERC Connectivity Regulations, 2009) (6th amendment) the Renewable Power Park Developer is authorised by the Central or State Government to undertake infrastructural activities including arrangement for connectivity on behalf of the Renewable power generators.

Accordingly, Soltown had applied for grant of connectivity for its 2000 MW Solar Power Park to Central Transmission Utility (CTU). In the month of April 2022, Soltown has been granted Stage-II connectivity, for 1800 MW solar park, out of 2000 MW, by the Central Transmission Utility at 400/765 kV Bikaner-II ISTS substation, under the of the CERC Connectivity Regulations, 2009.

Soltown is in the process of identifying Solar Project Developers who are interested in development of solar power project in the Solar Power Park of Soltown. Once the Soltown entered into agreement with such Developers, will apply for Long Term Open Access (LTA) on be half of such Developers. LTA operationalisation date of each project in the solar power park could be any date later than the effective date of Solar Power Park connectivity. Though the Transmission Charges for the solar project commissioned prior to December 2022 has been waived as per the CERC Sharing Regulations, 2020 and as per Ministry of Power notification same is proposed to be waived till June 2025, however, the transmission charges obligation could be arise on such solar project developers located in the Park, only if its project get delayed beyond the respective LTA operationalisation date.

Subsequently, the Hon'ble CERC notified the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (CERC CGNA Regulations). In terms of the said Regulations a Renewable Power Park

Developer, authorised by the Central or State Government, is eligible for connectivity and also a deemed GNA grantee equal to the quantum of Connectivity from the start date of its connectivity. Relevant CERC CGNA Regulations are extracted as under:

- **Regulation 2.1 (ai):** Defines the term “Renewable Power Park Developer” means an entity authorised by the Central Government or a State Government as Power Park developer for Renewable Energy Generating Station(s).
- **Regulation 4.1 (d):** A Renewable Power Park Developer is eligible as Applicant to apply for grant of Connectivity or for enhancement of the quantum of Connectivity.
- **Regulation 5.5:** An Applicant, which is a Renewable Power Park Developer, shall apply for grant of Connectivity for the quantum for which it has been authorised by the Central Government or a State Government as a Renewable Power Park developer.
- **Regulation 5.8 (vii):** The application for grant of Connectivity in case of Renewable Power Park Developer require an authorisation by the Central Government or the State Government, as applicable, to undertake infrastructural activities including arrangement for Connectivity on behalf of solar power generators or wind power generators.
- **Regulation 22.2 (a):** Connectivity grantees, covered under Regulation 4.1, including Renewable Power Park Developer, shall be deemed to have been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity.

Subsequently, the Hon’ble CERC came out with the draft the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2022, wherein, liability of payment of transmission charges kept on the buyers. However, it is also proposed that if COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System (ATS) has achieved COD, the Connectivity grantee is liable to pay Yearly Transmission Charges for the ATS corresponding to Connectivity capacity which have not achieved COD. The relevant proposed amendment in the Regulations 13 (3) is read as under:

**Regulation 13 (3) proposed to be substituted as under:**

*“(3) Where COD of a Connectivity grantee is delayed from start date of Connectivity in terms of GNA Regulations, and the Associated Transmission System has achieved COD, which is not earlier than such start date of Connectivity, the Connectivity grantee shall pay Yearly Transmission Charges for the Associated Transmission System corresponding to Connectivity capacity which have not achieved COD:*

.....”

### **Suggested Amendment**

It also proposed that if Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee is liable to pay transmission charges, for the delayed quantum of connectivity, from the start date of such Connectivity at the rate of Rs. 3000 /MW/month.

Relevant Regulation 13 (7) proposed by Hon’ble CERC as under:

*“(7) Where Connectivity is granted to a Connectivity grantee on existing margins and COD of such Grantee is delayed, the Connectivity grantee shall, 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:*

.....”

- The development of the solar power project inside the solar park is by many SPDs.
- Each SPD will connect their project to the pooling substation of the solar park through internal transmission system.
- The solar park as a whole and through the Solar Power Park Developer will be dealing with the ISTS outside the solar park for evacuation of the power generated by many of the SPDs establishing the solar power projects in the solar park.
- The solar power park developer (SPPD) provides services for development of the solar park. SPPDs are not in a position to absorb the cost implication of the delay that may occur in establishment of solar power projects in the solar park, more particularly when such delays are attributable to the different agencies including agencies responsible for selection of SPDs through bidding process who would in turn establish the project. Further, there may be situations where a solar park is not in a position to identify and award the project in the entirety i.e. in one go. The solar power park developers may be affected by number of other possibilities delaying the selection of SPD to establish solar power projects.
- There may be a mismatch with the development of the ISTS to be established by the CTU/ Inter-State Transmission Licensee undertaking the transmission project including necessary up-gradation to provide connectivity and for evacuation of solar power from the projects and the solar energy generation by the SPDs. On account of the mismatch and other related aspects, entire capacity of evacuation line from the pooling substation of the solar park to the Grid may not be fully utilized in the beginning.
- If the transmission charges and losses to solar power park developer as a deemed GNA grantee from date of operationalisation of connectivity, there will be a serious issue of

meeting the liabilities to pay such charges and adjustment of losses prior to such commercial operation date of solar project in park. Also, commercial operation date of solar power projects being established in solar parks may be achieved in phases. In these circumstances, the solar power park developer as an intermediary nodal agency would not be in a position to absorb the entire cost of payment of such transmission charges and losses pending the establishment of the solar power projects to the full capacity of the solar park. Levying of such charges and losses would seriously affect the ability of the Solar Power Park Developer in the execution of the projects which would adversely impact the development of the solar capacity in the Country.

- If socializing of the transmission charges and losses is not considered for the period prior to the Commercial operation Date in the circumstances other than the default or delay on the part of the SPDs or the intermediary agencies, there will be serious financial consequences to the solar power park developer.
- Further, if delay in utilization of the entire capacity of the ISTS established and/or upgraded is for reasons attributable to Solar Power Park Developers, the SPPDs should be held liable to pay liquidated damages provided for in the agreement and the said damages payable by the SPPD may be paid in part towards adjustment in the sharing of transmission charges.
- Bidding for selection of solar power projects are generally carried out in a phased manner. However, it may be beneficial for the transmission infrastructure developing agency to carry out the development/ augmentation of the transmission network considering the proposed park capacity. This requires having a maximum time period allowed for utilization of the entire capacity of the ISTS. Such maximum time period may be decided considering the time being taken for conclusion of bidding process and the construction period allowed under the PPA. **In view of this, it is proposed to allow a maximum time period of around 4 years or time period as deemed fit by the Commission. The excess transmission charges be socialized in the same manner as in the case of the existing regulations providing for no transmission charges payable after the Commercial Operation Date of the solar power projects. Till such time, available capacity may be utilized for usage under short term and/ or medium term open access.**
- In all other cases, if the delay is not on account of any factor attributable to and in the absence of any negligence on the part of the intermediary agencies such as the Petitioners or the SPPD, the transmission charges till the utilization of the entire capacity of the ISTS established and upgraded be socialized till maximum time period.

- There may also be cases where the solar park established for 1000 MW, is utilized for a long term capacity for 250 MW only on account of the reasons beyond the control of Solar Power Park Developer. In such cases, in the absence of there being any default or failure on the part of the above agencies, the cost of establishing/ upgrading ISTS be socialized and can be considered for utilization by the CTU for other purposes, Long Term, Medium Term or Short Term.
- The transmission charges liability prior to the commercial operation of SPDs in solar parks by operationalization of LTA in a phased manner may be 25% as against 100% of the LTA capacity. This will facilitate selection of the Solar Power Developers in the solar parks in a phased manner. This is proposed since for a solar park having capacity of around 1500 MW, it takes around 18 to 24 months in finalizations of the bids and another 15 months' time period is being provided for commissioning of the projects. **In view of this, solar park developers may be permitted a total time of around 4 years for utilization of 75% of the entire evacuation capacity established for the Solar Park. If the solar park achieves the above extent of utilization in aggregate 75% of the evacuation capacity of the inter-State transmission system developed for connectivity to solar park in the above period of 4 years, the same may be taken up as fulfilling the due obligation of SPPD and the capital cost of balance 25% be also recovered under the 2010 Sharing Regulations socializing the same as in the case of 75%.**

## 2. MoP orders on ISTS waiver need to be considered

We request the Hon'ble Commission that the provision related to Waiver of ISTS charges for RE as mandated by Ministry of Power should be continued. Removal of Transmission Charges waiver will bring a huge dent to the process of achieving the RE target of 500 GW by 2030 set by the nation.

We submit that the good wind resources and good solar resources are located in few States only. Nation has seen that almost all the wind bids invited wherein projects setup only in the states of Gujarat and Tamil Nadu. Similarly, because of good solar resource in state of Gujarat, Rajasthan and Andhra Pradesh as well as large chunk of waste and barren land are available in such states , the county has seen lowest solar tariff and most of the developers have preferred to setup project in such states only. If such waiver is removed, It would hit the inter-state wind-solar projects growth leaving states with lesser Solar and Wind potential deprived and thereby leading to shortfall in their RPO compliance. Moreover, Inter-state Commercial and industrial consumers open access transaction would also be affected in the absence of waiver as such wind and solar projects having 20 to 35 % CUF resulting into Transmission Charges to be payable around Rs. 1.50 /kWh. Ministry of power granted ISTS waiver only recently and were about to reach pace. Removal of the waiver

provision will kill the segment even before it got started. Therefore, we request you to continue implementing the waiver provisions.

**3. Deemed GNA to be granted to Project Developers putting their projects in RE Power Park instead of Renewable Energy Power Park Developer**

Solar Power Park Developer is neither a generator nor a grid-connected entity and SPPD has signed the connectivity Agreement with CTU solely for the purpose of facilitating development of solar power. Solar Power Park Developers are entities eligible to apply for Connectivity as per the CGNA Regulations. Which is yet to be implemented. We request that the individual solar project developer should be allowed to apply for LTA/GNA directly to CTU so that the issue of paying transmission charges in case of mismatch in COD and operationalisation of LTA/GNA can be taken care of. Moreover, Financial institution also want comfort that connectivity and LTA should be in the name of SPD.