



भारत सरकार/ Government of India
विद्युत मंत्रालय/ Ministry of Power
केन्द्रीय विद्युत प्राधिकरण/ Central Electricity Authority
आर. ए. प्रभाग/ Regulatory Affairs Division
(E&C Wing)

विषय: Comments on the draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 - Regarding.

Reference is invited to the draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 published vide No. L-1/261/2021/CERC on 16th December 2021, seeking comments/ suggestions/ objections from the stakeholders and interested persons.

In this regard, our Comments/ observations on subject are enclosed as Annexure -I.

Encl: As above.


17/03/2022

प्रदीप जिंदल

मुख्य अभियंता (आर.ए.)

Central Electricity Authority
Regulatory Affairs Division

Subject: Comments on the draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 - Regarding.

1) Clause 2: Definition

1. **Clause 2.1(b)- Associated Transmission System:** As per the draft regulation, "ATS" for an applicant is the augmentation to the existing ISTS for enabling transfer of power over ISTS under GNA. This may lead to "big ATS" for one generation project (corresponding to new ISTS augmentation system) which has to be granted connectivity with proposed ATS, whereas "nil or negligible ATS" for other generation project (if new augmentation system has already been awarded) seeking connection at same location. Hence, the ISTS augmentation may be treated as existing ISTS only when it gets commissioned. Further, for all the generation developer seeking connectivity at same location, the CBG requirement should be in proportion to the quantum of connectivity sought; and vintage aspect may also be considered.
2. **Clause 2.1(aj)- RLDC Fees and Charges Regulations:** As per Clause 5 (9) of Transmission Planning Rules, 2021, The Central Commission shall bring out Regulation on fees and charges for Central Transmission Utility to carry out the statutory functions as per provisions of the Act, and rules, regulations made there under. Therefore, Fees and Charges Regulations for CTU may also be created under the Definitions
3. **Clause 2.1(ag)- Renewable Energy Generating Station:** Large hydro stations have been given the status of renewable energy by MoP. It may be clarified here also.

2) Clause 3: Application for Grant of Connectivity and GNA

4. **Clause 3.2 & 3.3- Application for grant of Connectivity and GNA:** The application fee may be based on the quantum of connectivity; this will be fairer to smaller DICs.

3) Clause 4: Eligibility for Connectivity to ISTS

5. The Draft Regulations proposes that the generating plants or ESS with installed capacity of 50 MW and above can be connected with ISTS. This will lead to sub-optimal transmission planning as the ISTS is generally at 400kV and above voltage

level and for connection of 50 MW, 132kV voltage level is sufficient. Therefore, the minimum installed capacity eligibility, including per group/aggregates, may be increased to 200 MW. The lower sized generators can get connectivity with intra-state networks or they may aggregate to seek common connectivity with ISTS.

6. Captive generating plants are always associated with load and are connected with the distribution or intra-state networks. Therefore, allowing captive generators to get connected with the ISTS would, inter-alia, allow small industrial load also to be connected with ISTS. Therefore, connectivity of captive generating plants with ISTS may be avoided. However, if the load and its captive generation are at different locations, such generations can seek connectivity with ISTS under generator category.
7. If Bulk Consumer is proposed to be connected with ISTS as proposed under 17.1, its connectivity should also be covered under 4.1.
8. Dual connectivity of generating stations with ISTS and intra-state as is being proposed under 4.3, may be avoided as it leads to excess transmission capacity, scheduling, metering and controlled area complications.

4) **Clause 5: Application for Grant of Connectivity**

9. **Clause 5.2- Quantum of Connectivity:** In the proviso, Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, Central Electricity Authority (Installation and Operation of Meters) Regulations, CEA(Measures Relating to Safety and Electric Supply) Regulations, etc. may also be included or the proviso may be generalized by mentioning compliance with applicable, laws, rules and regulations and as modified from time to time.
10. **Clause 5.8- Geographical location and installed capacity:** Under 5.8, maximum quantum of power to be inter-changed with ISTS has been mentioned. It is seen that the generators also require to draw power from the grid(ISTS). For example, the generating stations may needs start up power, the solar plants may need to draw power during night, wind projects may need to draw power during non-wind seasons and the ESS would need to draw power during period of charging etc. These requirements of generators or ESS should also be handled under GNA Regulations and mentioned as part of their application while getting connected with ISTS. This bi-directional interchange may have different GNA and also separate charges.

5) **Clause 6 & 7: Interconnection study and in-principle grant of Connectivity**

11. Clause 6&7 also provide the studies to be carried out for grant of connectivity. Under 7.1, it is mentioned that if no ATS is required, the nodal agency shall intimate grant

of connectivity within 30 days and under 7.2 if ATS is required then grant of connectivity to be given in 60 days. These studies are to be carried out as per CEA's Connectivity Regulations and would need data as mentioned in 10.1 of draft regulations. Therefore, the data as mentioned under 10.1 and as per requirement of CEA's Connectivity Regulations, must be furnished by connectivity applicant at the time of application.

6) Clause 11: Monitoring by the nodal agency

12. Under clause 11.3, it is mentioned that Nodal Agency shall review and take corrective actions based on status of connectivity of grantee and status of ATS. Here, the question will arise as to what kind of corrective action a Nodal Agency can take once the ATS has been awarded and its schedule has been finalized. This also gives leverage to the connectivity grantee to modify its commitment to bring its equipment/plants in time.

7) Clause 12: Dedicated Transmission Lines and Bay(s)

13. Under 12.2, it is mentioned that connectivity grantee is a Renewable Power Park Developer(RPPD). However, no such provision of eligibility of RPPD has been given under 4.1. Further, as RPPD will be a connectivity applicant, the responsibility of submission of data under 10.1 would also lie with RPPD and whether the RPPD can furnish all, data needs to be further deliberated.

14. Under 12.3, if the data to be supplied under 10.1 is subsequent to application for grant of connectivity, then additional studies would be required, which may result in need of additional ATS. In such a scenario, how amount of bank guarantee will be decided, needs to be reviewed.

15. Under 12.5, it is mentioned that in case an entity covered under Regulation 17.2 i.e. Eligibility for GNA, the line to connect such an entity to ISTS shall be constructed and maintained by a licensee at the cost of such entity. This would imply that a distribution licensee will connect to ISTS on behalf of himself or the bulk consumer and whether this line will be ISTS transmission licensee line or intra-state transmission licensee line, has not been made clear. It may please be noted that under the Electricity Act, only the generators can build a dedicated transmission line.

8) Clause 15: Transfer of Connectivity

16. **Clause 15.1- Transfer of Connectivity:** It is also suggested that transfer of connectivity may be allowed among sister companies (i.e. two companies having same parent company) as well.

9) Clause 16: Treatment of Connectivity Bank Guarantee

17. **Clause 16.3- Treatment of Connectivity Bank Guarantee:** Outstanding transmission charges are to be recovered by encashing of Conn BG-1,2,3 as per regulation 16.3. However, as per GNA regulations transmission charges are to be paid by buyers only whereas Conn BG-1,2,3 is to be submitted by generators seeking connectivity. This discrepancy may be looked into.

10) Clause 17: Eligibility for GNA

18. **Clause 17.1(iii)- Bulk consumer eligibility:** The Draft Regulation mentions about the "Bulk Consumers" in Chapter 4 but "Bulk Consumers" is not mentioned in Chapter 3 (Connectivity). It is not clear as to whether the "Bulk Consumers" have to apply separately for 'Connectivity' or, the GNA application of "Bulk Consumers" would inherently cover connectivity also. This aspect needs to be clarified to settle the connectivity issues of new bulk consumers wishing to get connected to the ISTS in the future.
19. It is proposed that distribution licensee can seek connectivity with ISTS. This should not be allowed as the distribution licensees are to be connected with STUs Network and are embedded entities of STUs. Such a provision, will undermine the responsibility and jurisdiction of STUs, and may be reviewed.

11) Clause 18: Deemed grant of GNA

20. The generators, RPPDs and ESS should also be mandated to seek GNA for exchange of power with ISTS. In the Draft Regulations, these entities have been excluded from seeking GNA and instead considered as deemed GNA. There are number of merchant capacities/generators, which have been left out from paying any transmission charges. The investment in transmission System (ATS) is made to give them connectivity and also for evacuation of their power. This investment in transmission, which is caused due to generators/RPPDs/ESS, should not be loaded on DISCOMs/ States. The Transmission Rules notified by Ministry of Power provide that at least one time GNA (for new/additional GNA) charges should be taken from all DICs and thereafter monthly transmission charges corresponding to the GNA are to be paid by DICs. This aspect should be built in GNA regulations so that it becomes fairer to DISCOMs and also make generator a responsible partner of the power system.
21. Originally the GNA was conceptualized to merge the connectivity of LTA, MTOA, STOA into one product i.e. General Network Access. However, it is seen that in the Draft Regulations, there are many variants of GNAs, for example (i) connectivity with ATS; (ii) GNA from within region; (iii) GNA from outside region; (iv) TGNA less than 3 days; (v) TGNA between 3 days to 11 months; (vi) TGNA by Power Exchange, etc. This may lead to demand for different charges for different GNA categories.

12) Clause 22: Grant of GNA

22. It is understood that connectivity BG is not applicable for entities covered under Regulation 17.1(iii). Therefore, question of encashment of connectivity BG for recovery of one time GNA charges for such entities does not arise.
23. Under 22.2(d), it is mentioned that one time GNA charge will be Rs.11lakh/MW. This means that for a 1000MW plant, the one-time GNA charges will be Rs.10 Crores only. On an average, for building an ATS of 1000 MW, an investment of about Rs.1000 Crore is needed. Thus, the proposed one time charge for entities under 4.1 and 17(iii) is only about 1% of investment in transmission system created for them. Thus 99% of investment gets loaded to DISCOMs/STUs. This may be reviewed. CERC may also describe the mechanism for utilization of one time charges as collected.

13) Clause 25: Relinquishment of GNA

24. The relinquishment charges should be taken not only from entities granted GNA but also entities considered under deemed GNA.

14) Clause 34: Transmission charges for T-GNA

25. **Clause 34.6-** The Draft Regulation have proposed levy of all the penalties on the applicant for any delay on their part. It is suggested that similar penalty should also be levied on the Nodal agency as well, if they fail to meet the deadlines. CERC may also bring out standard operating procedure for functioning of CTU/rendering of services under this regulation.

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