

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

Dear Sir,

Kindly consider the below comments on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021, for your consideration.



Regards

Advocate Divanshu Gupta
Divanshu Gupta Law Chambers
136, Vishveshwariya Nagar (Triveni), Gopalpura Bypass, Jaipur – 302018
+91 89800 74713

Comments on draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

Ref. Regulations	Existing draft	Comments
PREMABLE	Whereas it is necessary to provide for a regulatory framework to facilitate non-discriminatory open access to licensees or generating companies or consumers for use of inter-State transmission system through General Network Access and to consolidate the regulations on the subject, it is hereby specified as under:	Section 38(2)(d)(ii) and Section 40(c)(ii) provides open access to <i>any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42</i> . Further, word “consumer” is defined in Section 2(15). It is proposed that word “consumer” should be replaced by words “open access consumer” and also define “open access consumer” as follows: "any consumer availing or intending to avail open access as specified by the State Commission under sub-section (2) of section 42 of the Act."
2.1(r) Definition: “General Network Access” or “GNA”	“General Network Access” or “GNA” means open access to the ISTS granted under these regulations;	Chapter 4 (GNA) deals with among others Eligibility for GNA (Regulation 17), Deemed Grant of GNA (Regulation 18), Grant of GNA (Regulation 22), Use of GNA by other GNA grantee(s) (Regulation 23). This GNA is related to drawal entities with payment liability of transmission charges.
22.2(a) Grant of GNA to entities other than STU	22.2(a) Connectivity grantees covered under Regulation 4.1 of these regulations shall be deemed to have been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity. In the event of split or transfer of Connectivity in terms of Regulation 15 of these regulations, the corresponding GNA shall be deemed to have been split or transferred, as the case may be.	Whereas Regulation 22.2 (a) provides that <i>Connectivity grantees covered under Regulation 4.1 of these regulations shall be deemed to have been granted GNA, equal to the quantum of Connectivity from the start date of Connectivity</i> . This GNA is related to injection entities without payment liability of transmission charges. It is proposed to distinguish these two GNAs separately on the basis of injection-GNA and drawal-GNA in view of different rights, liabilities & obligations associated with them.
2.1(v) Definition: “intra-State entity”	“intra-State entity” means a person whose metering is done either by the State Transmission Utility or the Distribution Licensee, as the case may be, and energy accounting is done by the State Load Despatch Centre or any other agency so authorized;	Section 32(c) provides that State Load Despatch Centre shall keep accounts of the quantity of electricity transmitted through the State grid. Act mandates that accounting of electricity transmitted through the State grid is to be done by SLDC only. Therefore, it is proposed that words “or any other agency so authorized” should be deleted.
2.1(x)(i)&(y)(i) Definition: “Lead ESS” & “Lead Generator	“Lead ESS” means (i) an ESS which is authorized by one or more ESS(s) or generating station(s) through an agreement for applying for Connectivity to the ISTS at a single inter-connection point: or “Lead Generator” means (i) a generating station which is authorized by one or more generating station(s) or ESS(s) through an agreement for applying for Connectivity to the ISTS at a single connection point: or	It is submitted that Lead ESS / Lead Generator with considerable stake will be expected to effectively lead and discharge the obligations & responsibilities under these Regulations on behalf of ESSs and/or generators. Therefore, it is proposed that provision may suitably be added that Lead ESS / Lead Generator shall have installed capacity of considerable stake (i.e. at least 25%) individually, in terms of their aggregate installed capacity.

<p>10.3 Connectivity Agreement</p>	<p>10.3 Within 30 days of the intimation of connection details by the Nodal Agency under Regulation 10.2, Connectivity Agreement shall be signed between the Nodal Agency and the entity which has been intimated final grant of Connectivity. On signing of the Connectivity Agreement such entity shall become the Connectivity grantee</p>	<p>Regulation 6(7)(1)(c) of CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007 provides that in case of inter-connection to a transmission licensee (other than CTU), every connection of a user's system to the grid shall be covered by a connection agreement (tri-partite) signed between (1) such user, (2) transmission licensee to whose transmission system inter-connection is granted and (3) Central Transmission Utility.</p> <p>Therefore, it is proposed that connection agreement (tri-partite) should be signed by all entities (on whose behalf connectivity application is applied by applicant), transmission licensee to whose transmission system connectivity is granted and Nodal Agency. Further, all these entities should be considered as Connectivity Grantees.</p>
<p>17.1 Eligibility for GNA</p>	<p>17.1 The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA: (iii) A distribution licensee or a <i>Bulk consumer</i>, seeking to connect to ISTS, directly, with a load of 50 MW and above;</p>	<p>As proposed in draft, Bulk consumer is eligible for GNA who is seeking to connect to ISTS, directly, with a load of 50 MW and above. Such Bulk consumer is eligible for GNA i.e. open access to ISTS granted under these regulations. Therefore, it is proposed that words "bulk consumer" may be replaced by "open access consumers" in Section 2(15) read with Section 2(47)</p>
<p>22.2(d) Grant of GNA to entities other than STU</p>	<p>22.2(d) Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish <u>one-time GNA charge</u> for Rs. one lakh per MW for the quantum of GNA one month prior to the start date of GNA.....</p>	<p>Draft Regulations does not ascertain utilisation of existing and future stranded ISTS assets arisen due to unutilised generation capacity. Such unutilised capacity or stranded assets (which were created considering generating stations) should not be passed on drawee entities. Thus, "One-time GNA charges" should be made applicable annually and therefore it is proposed that phrase "One-time GNA charges" may be replaced by "Annual GNA charges".</p>
<p>40.2 & 40.3 Payment of charges</p>	<p>40.2. <u>One time GNA charges</u> shall be payable by entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations in terms of clause (d) of Regulation 22.2 of these regulations.</p> <p>40.3. The fees and charges for National Load Despatch Centre, Regional Load Despatch Centres (including the charges for Unified Load Despatch Scheme) and State Load Despatch Centres shall be payable <u>by the GNA grantees</u> as per the applicable Regulations.</p>	<p>To avoid any ambiguity, it is proposed that the words "by the GNA grantees" may either be deleted or replaced by the words "by the entities".</p>
<p>Additional submission</p>		<p>Draft does not contain provisions on transmission planning, which is foundation of coordinated development of ISTS. To ensure optimum and economic development of ISTS as per National Electricity Policy and Tariff Policy, it is proposed that in case of mismatch between injection-GNA and drawal-GNA (drawal-GNA is less than injection-GNA), planning of ISTS should be carried out for drawal-GNA with a suitable margin.</p>