



Shri Sanoj Kumar Jha  
Secretary,  
Central Electricity Regulatory Commission,  
36 Janpath, Chanderlok Building,  
New Delhi - 110001

February 25<sup>th</sup>, 2022

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

Dear Mr. Jha

This is with reference to the Comments on “**CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021**”.

I have gone through it and record some of my comments on the same. Additional suggestions are also provided for consideration of the Commission.

I would be pleased to address any clarification, if required.

Thanking you,  
Yours sincerely,

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Comments on

## **Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021**

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- 1. Relinquishment of GNA (Regulation No. 25.1 (a)):** The draft Regulation states “*For an entity covered under Regulation (i) of Regulation 17.1 of these Regulations, STU may relinquish GNA on behalf of identified intra-State entity. The relinquishment charges shall be equal to 60 times the transmission charges paid by such intra-State entity for the last billing month under the Sharing Regulations, corresponding to the relinquished quantum.*” Although this Regulation aids in the recovery of transmission charges, it makes the relinquishment charges equal to five (5) years of the transmission charges paid by the intra-State entity which is unreasonably high, since in case the entity goes bankrupt, they will not be able to pay the charges as specified in this Regulation.
- 2. National Open Access Registry (NOAR) (Regulation No. 27.1 (v)):** The draft Regulation states “*Provide Dash Board facility with real time information to RLDCs and SLDCs and act as a repository of information related to T-GNA including standing clearance issued by RLDCs and SLDCs, availability of transmission corridor, pending applications, and T-GNA granted and rejected*” It is necessary to provide data to stake holders other than RLDCs and SLDCs. Since, the dash board facility provides real time data to only to the RLDCs and SLDCs, it will be difficult for other stake holder to get information regarding the same. It is suggested relevant data of NOAR providing details of access requested, granted and denied, and details about quantum of OA requested/granted across time blocks be made available in the public domain, possibly enabled through Application Programming Interface (API) so as to assist further analytics and research.

As per the Regulation 27.1.(vi), “*NOAR shall facilitate generation of periodic reports for market monitoring and surveillance*”. Periodicity of such reports should at least be on a monthly basis so that the gap in information flow and analysis is minimized.

- 3. Market Monitoring and Unique Identification on the NOAR:** In case an entity, who has been granted GNA, participates in the Power Exchanges as well and subsequently interferes in the market by engaging in activities, with or without a consortium, that tends to compromise the competitive nature of the market, either by “playing with the available transmission capacity, or by controlling the demand/ supply bids”.

Market manipulation may not only involve energy market but also the associated allocation of transmission capacity (including that through open access). To ensure that identification of market manipulation/gaming, unique identifiers should be defined and used across all market platforms/contracts as well as for allocation of transmission capacity including those in NOAR.



**4. Exigency and Application for grant of T-GNA (Regulation No. 28.4 (b)):** The draft Regulation states “*Exigency application for grant of T-GNA: Application made on (D) day for grant of T-GNA with scheduling for (S) day, which may be (D) day or (D+1) day or (D+2) day, with a minimum start time of 7 (seven) time blocks unless specified otherwise in the Grid Code:*”

*Provided that the Exigency application for grant of T-GNA shall be made for any time block(s) between 00:00 hrs to 24:00 hrs of the (S) day.”* The term “Exigency” should be fined outlining its scope, especially as it is also not defined in the **Indian Electricity Grid Code**. is not defined in these Regulations. The respective Load Dispatch Centre (LDC) may be offered certain flexibility in taking a final call on the applications under the ‘exigency’ criteria.

A limit on the quantum of OA to be granted under exigency should be defined to ensure that such applications are not an outcome of complacency on part of the applicant and also that these do not make an adverse impact on the market outcome.

**5. Processing of applications for grant of T-GNA by Nodal Agency (Regulation No. 29.3):** The draft Regulation states “*Advance applications for T-GNA shall be considered on first-come-first-served basis and shall be processed latest by 23.59 hrs of the (D+1) day, ‘D’ being the date of making the application.*” The draft cause may be amended as “*Advance applications for T-GNA shall be accorded priority in grant of GNA*”

As per draft Regulation “Advance applications for T-GNA shall be considered on first-come-first-served basis ...”. It is important to elaborate ‘consideration’ of an application. Does it mean that the system operator would run its model sequentially after each application, treating each one on an incremental basis. Alternative approach would be to accorded priority in granting open access once the system operators undertakes network analysis, and in case of expected congestion, prior applications would be given priority in grant of OA.

To implement first come first serves basis on a practical basis, there is also a need to define granularity of time stamping of the applications and also an approach to break a tie.

**6. Regulation No. 29.4 (a):** “*Applications received till 1300 hrs of (S-1) day shall be processed after 1300 hrs on (S-1) day on first-come-first-served basis, and shall be finalised by 1400 hrs of (S-1) day.*” The result publication date must be mentioned in these Regulations as well.

**7. Market Monitoring and Unutilised Transmission capacity:** Gains from hoarding of transmission capacity, especially during periods of shortage that witness price spike in the market, would outstrip the cost of hoarding the transmission capacity on account of liability to pay transmission charges.

In this context, the mandate to surrender unused capacity is included in the regulation. It is also important to identify hoarding of transmission capacity that remains unutilised i.e. a schedule for the same is given, say on a day-ahead basis, but the users do not honour the schedule and pay deviation charges thereof. The economics of deviation charges, partially related to market prices,



may still be attractive in such cases, particularly for OA granted to RE based generation (due to lower applicability of deviation charges). A market monitoring mechanism should identify such cases and, the regulatory framework should penalize such persistent cases to ensure that arbitrage opportunities are not used to the detriment of the market outcome.

8. **Under any contract (Regulation No. 36.1, 36.2 and 36.6)** – The phrase “*under any contract*” may be rewritten as ‘under any contract (excluding those arrived through the collective transactions, which are dealt separately)’.
9. **Provision for Unused GNA (Regulation 33.3)** – A priority for reallocation of unused transmission capacity be incorporated in the regulation. The following regulation may be suitably modified as

“Provided that in case such T-GNA grantee does not schedule power up to its T-GNA quantum at the time of making scheduling request, the unutilised quantum of T-GNA shall be released, **as per priority mentioned herein**, for collective transactions under day ahead market, schedule revision by GNA grantees, Exigency applications for T-GNA and collective transactions under real time market in terms of Regulation 36 of these regulations;