



**DIRECTORATE OF ENERGY  
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No.: GoHP/DoE/Sale of Power/CERC/2022- 9019-20  
From

Dated: 14/02/2022

Director,  
Directorate of Energy.

To

The Secretary,  
Central Electricity Regulatory commission,  
3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building,36,  
Janapath, New Delhi- 110001.

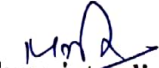
**Subject: Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Interstate Transmission System) Regulations, 2021 - GoHP comments thereof.**

Sir,

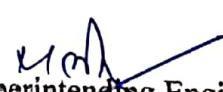
Please find herewith enclosed comments/suggestions on Hon'ble CERC public notice no.-L-1/261/2021/CERC dated 16/12/2021 and Notice No. L-1/261/2021/CERC dated 14<sup>th</sup> January, 2022 on draft regulation on the cited subject for necessary action in the matter please.

DA: As above  
Annexure -I

Yours faithfully,

  
Superintending Engineer (Elect.),  
Directorate of Energy,  
GoHP. New Shimla-09.

Copy of above is forwarded to the Special Secretary (MPP & Power), to the GoHP for kind information please.

  
Superintending Engineer (Elect.),  
Directorate of Energy,  
GoHP. New Shimla-09.

Annexure-I

**COMMENTS ON DRAFT CENTRAL ELECTRICITY REGULATORY COMMISSION (CONNECTIVITY AND GENERAL NETWORK ACCESS TO THE INTERSTATE TRANSMISSION SYSTEM) REGULATIONS, 2021**

Clause no.	Clause	Comments
A new clause may be added in Clause 2.1	<p><b><i>“An Energy Department/Authorised Agency”</i></b></p> <p><b>An Energy Department/Authorised Agency of the State as mandated by the State Government for sale of its Free Power Royalty/equity power of State Government either at respective Plant Periphery or at respective State Periphery, as the case may be, and energy accounting is either done by the State Load Despatch Centre or Regional Dispatch Centre or any other agency so authorized.</b></p>	<p>In certain State, State Government has authorized its identified departments to maximize the revenue by sale of its free power royalty/equity power share of the state. Therefore, these entities must be covered under certain regulations to facilitate their own power sale on behalf of the state.</p>
<p>Clause 18.1. (g) The Central generating stations which are connected to the grid and have not been granted Long term Access under the Connectivity Regulations but whose power is allocated by the Ministry of Power, shall be deemed to have been granted GNA equal to the installed capacity of such generating station(s).</p>	<p>Clause 18.1. (g) The Central generating stations which are connected to the grid and have not been granted Long term Access under the Connectivity Regulations but whose power is allocated by the Ministry of Power, shall be deemed to have been granted GNA equal to the installed capacity of such generating station(s).</p> <p><b>For Free Power Royalty entitlement or any other share, if any, GNA shall be granted to respective State at respective generating station(s) periphery.</b></p>	<p>As per prevailing policies, Ministry of Power (MoP) allocates the power along with the free power royalty entitlement, to the respective States.</p> <p>As per the Hydro Policy, State Governments are entitled to get free power royalty along with share of power towards Local Area Development Fund (LADF).</p> <p>Currently, the free shares of power from CGS plants are scheduled to the state and then State Govt. sells the free power at the platform of the short-term power market. For sale of such free power in market, State/Discom incurs additional Inter State Transmission System (ISTS) charges and losses to bring the free power to respective State boundary. Hence, there is an additional burden on the consumers on sale of power.</p> <p>Hence, it is proposed that the GNA of free power royalty entitlement may be granted at Generator</p>

		periphery (similar to untied LTA) from Central/State/Private Generating Stations and not at the State Periphery so that respective State Govt. can make a better decision while scheduling their free power entitlement from the generator periphery. This will also enable customer to avail power at a competitive price.
Clause 4. Eligibility for connectivity to ISTS	<p>4.1 The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:</p> <p>(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS;</p> <p>4.3 A generating station, already connected to or intending to connect to intra-State transmission system shall also be eligible as an Applicant for Connectivity.</p>	The Draft regulations are not clear whether existing generating station connected to intra state transmission system are required to apply to Nodal Agency for the connectivity or grant of GNA to the ISTS for their existing capacity.
Clause No. 8. Connectivity Bank Guarantee	8.1. Connectivity Bank Guarantee shall be submitted by an Applicant in three parts, Conn-BG1 amounting to Rs. 50 lakhs, and Conn-BG2 and Conn-BG3, as provided in Regulations 8.2 and 8.3 of these regulations.	The Draft regulations are not clear whether existing generating station connected to ISTS are exempted from payment of Connectivity Bank Guarantee.
Clause 22.2. Grant of GNA to entities other than STU	<p>(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.</p> <p>-----</p> <p>(d) Entities covered under Regulation 4.1 and clause (iii) of Regulation 17.1 of these regulations shall furnish one-time GNA charge for Rs. one lakh per MW for the quantum of GNA one month prior to the start date of GNA.</p>	Draft Regulations provides that Connectivity grantees covered under Regulation 4.1 shall have to pay one-time GNA charge for Rs. one lakh per MW for the quantum of GNA one month prior to the start date of GNA. However, there is no clarity whether existing Connectivity grantees need to pay or not. The existing Connectivity grantees should not be made to pay one-time GNA charge for Rs. one lakh per MW for the quantum of GNA.