



No. IEX/RA/127/21-22

Date: 15.02.2022

To,

The Secretary
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building
36, Janpath
New Delhi - 100 001,
Fax: 011-23753923

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

Dear Sir,

This has reference to Public Notice dated 14.01.2022 inviting suggestions and comments from stakeholders on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021.

Accordingly, comments on behalf of Indian Energy Exchange are hereby attached hereto for kind consideration of the Hon'ble Commission.

Thanking You

Yours Sincerely,

(Jogendra Behera)

Vice President (Market Design & Economics)

Enclosures: As above

IEX Comments on Draft CERC (Connectivity and GNA) Regulations, 2021

At the outset we welcome the proposed Draft Connectivity and General Network Access (GNA) Regulation by the Hon'ble Commission. We believe that the proposed GNA regulations will decouple transmission access from the underlying commercial contracts which will not only lead to better planning and development of transmission system but also strengthening of the electricity market. Our suggestions to bring more clarity in some of the provisions of the Draft Regulations are as under:

1. Use of GNA by other GNA grantee(s) [Regulation 23]

Regulation 23 provides enabling provision for the use of GNA granted to an entity by any other entity for a maximum period of 1 year at a time based on the mutual agreement and subject to approval of the Nodal Agency. We welcome the proposal which will enable to reduce burden on entities with surplus GNA and at the same time help entities with shortage of GNA. It is submitted that the proposal of using transmission capacity of one entity by another is akin to transfer of the right to use transmission system. These transactions can be efficiently executed on the Power Exchange platform similar to trade of Transmission Rights being done in several Countries. The Power Exchange may provide discovery of price of such transactions and also provide clearing and settlement services which will smoothen the process of these transactions. In view of the above, it is requested to incorporate an enabling provision for introduction of such product by power exchange in accordance with the terms as may be provided by Hon'ble Commission through a separate order.

2. Eligibility of embedded consumer for Temporary GNA [Regulation 26.1]:

Regulation 26.1 of the draft lists the entities eligible as applicants to apply for T-GNA to ISTS. It is submitted that Subclause (a)(iii) provides for *a buying entity connected to intra-State transmission system* as eligible entity for T-GNA. It is submitted that consumers connected with the distribution system seems to be inadvertently left out as the explanatory memorandum does provide for T-GNA being availed by a consumer connected to the Distribution System. In view of the above, it is requested that word "**distribution**" should be added after word "transmission" in the above-mentioned clause to include embedded consumers as the eligible applicants' for T-GNA.

3. Flexibility to change injection point on day ahead basis in Advance Application under T-GNA [Regulation 28.5]:

Regulation 28.5 provides for the details to be provided for Advance Application category i.e. quantum start time date etc. Sub clause (iv) provides that applicant need to provide Point of injection, if available, or in the absence of the point of injection, the target injection region. Further, proviso to sub clause (vii) provides that that in case the point of injection and corresponding Standing Clearance of SLDC under

whose jurisdiction the point of injection is located is not available at the time of making the application, the same shall be submitted along with the scheduling request in terms of Regulation 33 of these regulations. In this context, it is submitted that since T-GNA applications can be made upto 11 months which is a considerable duration the possibility of outages of Sellers can not be ruled out. In such cases, the T-GNA grantee should have flexibility to change its injection point to enable them to source power from alternate sources in the same T-GNA application subject to the availability of transmission corridor and approval of the nodal agency. In view of the above, it is requested that the T-GNA applicant may be given flexibility to change the injection point while scheduling on day ahead basis.

4. Declaration by T-GNA Applicant [Regulation 28.6]:

Sub clause (a) and (b) of Regulation 28.6 provides for the T-GNA Applicant to submit certain declaration like necessary infrastructure for time-block wise metering and accounting, communication system. Further, while issuing standing clearance, the SLDCs and RLDCs are required to take same declarations under Regulation 29.7.(A)(iv) and Regulation 29.7.(B)(iv) respectively. These declarations can only be given by the grid connected entities and same is being captured while processing standing clearance. Therefore, declarations sought under Sub clause (a) and (b) of Regulation 28.6 will just be repetition and the applicant like Power Exchange and Traders will not have means to check such requirements. In view of the above, it is requested that Sub clause (a) and (b) of Regulation 28.6 should be deleted. is the same is also in line with the present practice in processing STOA applications.

5. Revision of T-GNA [Regulation 32]:

Regulation 32 of the proposed Draft Regulations provides that under Advance Application, T-GNA cannot be revised upto 1 month which means that irrespective of usage of transmission system, transmission charges will be applicable for complete 1 month period. Also, it is proposed that for T-GNA exceeding 1 month, 1 month notice is required and for the notice period T-GNA grantee is liable to pay transmission charges. It is submitted that this would not only lead to additional burden on the participants but also lead to sub-optimal utilization of transmission system. In view of the above, it is suggested that the revision of T-GNA may be allowed in line with the present practice in the STOA i.e. 2 days advance notice and the transmission charges for which the system has not been used by the applicant should be refunded.

6. Payment of transmission charges by embedded entities [Regulation 34]

Regulations 34 of the draft regulation refers to the transmission charges to be paid by entities for T-GNA. It states that the Transmission charge rate for T-GNA, shall be levied in Rs./MW/time block, for a State as published for each month by the Implementing Agency in terms of the Sharing Regulations.

Though the intent of the proposed regulations is clear that the T-GNA grantee is required to pay only as per the Sharing Regulations, however, in case of embedded entities, there is a tendency to recover transmission deviation charges from the Open Access consumers. In view of the above, it is requested that a proviso may be incorporated in the regulation for non-applicability of any other charges on account of use of ISTS to provide certainty to the open access consumers.

7. Payment of transmission charges for collective transactions [Regulation 34.2]

Proviso to Regulation 34.2 of the regulation states that under collective transactions, transmission charges for T- GNA shall be payable for drawal schedules more than GNA quantum or T-GNA quantum or both, as applicable. It is submitted that the transmission charges for collective transactions may be ascertained on a post facto basis else this may negatively impact the decision to participate in the market and cause implementation issues with respect to risk management at Power Exchanges. In view of the above, it is requested that the above proviso be modified to exempt transmission charges for GNA grantees in line with existing practice and the transmission charges over and above GNA+TGNA may be levied based on the methodology provided under sharing Regulations.

8. Payment of Transmission Charges in Exigency Application [Regulation 34.4.(b)]

Regulation 34.4 (b) provides that in case of Exigency Application, the transmission charges shall be deposited along with the Application. Further, Regulation 34.3(d) provides that the transmission charges for quantum not scheduled or curtailed shall be refunded to the T-GNA grantee or may be adjusted against future T-GNA applications. It is submitted that to avoid multiple transactions with RLDC which includes refunding by RLDC due to curtailment activity under Exigency transactions, the transmission charges should be allowed to be deposited within 3 days of the grant of T-GNA to facilitate payment of transmission charges after adjustment due to curtailment etc. This is in line with the present practice (Regulation 18 of STOA Reg) and there is as such no issues in payment in past. Further, to discourage the non-payment of transmission charges Regulation 34.6 provides for provision of interest applicable in case of any default. In view of the above, it is requested that the transmission charges in case of T-GNA exigency application may be allowed to be deposited within 3 days of the grant of T-GNA.

9. Applicability of Intra-State Transmission Charge – If not provided in Rs/MWh:

The existing short term open access regulations provide for levy of STU charges @Rs. 80/MWh in cases where the charges to use the STU network have not been specified/determined by the State Commission in Rs./MWh. The relevant extract from the short term open access regulations is as below:

“Transmission Charges

16. (1)

(2) The intra-State entities shall pay the transmission charges for use of the State network as fixed by the respective State Commission in addition to the charges specified under clauses (1) of this regulation:

Provided that where the State Commission has not determined the transmission charges for use of the state network in Rs/MWh. The charges for use of respective State network shall be payable at the rate of `80/MWh for the energy approved:

Provided further that non-fixation of the transmission charges by the State Commission for use of the State network shall not be a ground for refusal of open access:

....”

It is submitted that there are several states which do not provide the STU charges in Rs./MWh and in absence of such a provision it would be difficult for the intra-state entities to avail T-GNA . In view of the above, it is requested that the existing provision of levy of STU charges @Rs. 80/MWh where the SERCs have not determined STU charges in Rs./MWh may be retained.

10. Allocation of Transmission Corridor [Regulation 34]

Clause 15.3 of the Explanatory Memorandum provides a timeline for allocation of corridor on day ahead basis. It is observed that the proposed timeline require some modification in accordance with the existing practices. The suggested timelines are as under:

Sr. No.	Activity	Proposed Time (By hours in S-1)*	IEX Suggestion
1.	Generating stations to declare DC for “S day”	‘T’ hours	
2.	RLDC to reflect respective share for each beneficiary	‘T+1’ hours	
3.	GNA grantee to give scheduling request within GNA T-GNA grantee to give scheduling request within T-GNA	‘T+2’ hours	
4.	In case demand of corridors is more than availability, RLDC to intimate pro-rata corridor allocation to GNA grantee to enable it to place revised scheduling request	T+2.5 hours	
5.	RLDC to confirm schedules for GNA grantees	T+3 hours	
6.	RLDC to release balance corridor for scheduling T- GNA requests under Advance Application	T+3 hours	
7.	RLDC to process T-GNA scheduling request and confirm schedule for T-GNA grantees	T+3.5 hours	
8.	RLDC to release balance corridor for day ahead collective transactions	T+3.5 hours	
9.	Bidding window for Day ahead collective transactions	T+4 - T+5.5 hours	T+4 - T+6 hours
10.	Application to NLDC by Power Exchange(s) for allocation of corridors	T+6 hours	T+7 hours
11.	RLDC NLDC to confirm scheduling based on corridor availability	T+6.5 hours	T+7.5 hours
	Submission of Application for Scheduling by Power Exchanges to NLDC (Final Solution)		T+8.5 hours
12.	RLDC to issue schedule for collective transactions based on final market clearing by exchanges	T+7 hours	T+9 hours
13.	RLDC to release balance corridor for Exigency applications received till T+7 9 hours	T+7 hours	T+9 hours

14.	RLDC to process Exigency applications received till T+7 9 hours	T+8 hours	T+10 hours
15.	RLDC to release balance corridor for schedule revision by GNA grantees, Exigency Applications, RTM	T+8 hours	T+10 hours

11. Inclusion of provisions with respect to Operating Charges:

The provisions with respect to System Operator Operating Charges are not provided in the Draft Regulations. It is requested that the operating charges of RLDC/SLDC may be incorporated as per existing STOA Regulations.

12. Amendments in Sharing Regulations:

On perusal of the Draft Regulations, it is observed that to implement many proposals in the GNA Regulations amendments are also required in the Sharing Regulations. It is requested that before finalizing the proposed GNA Regulations, amendments in Sharing Regulations may also be proposed for stakeholder comments and both these Regulations should be finalized and made effective simultaneously to maintain consistency across these Regulations.
